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Index and Summary of S. 906

- Feb. 13, 1953 Sen. Johnson (Colo.) introduced S. 906 which was referred to Senate committee on Interstate and Foreign Commerce. Print of Bill.
- Feb. 19, 1954 Rep. Aspinall introduced H. R. 3288 which was referred to House committee on Interstate and Foreign Commerce. Print of bill.
- Apr. 13, 1953 Rep. Wolverton introduced H. R. 4504 which was referred to House committee on Interstate and Foreign Commerce. Print of bill.
- June 28, 1954 Senate committee ordered S. 906 reported.
- June 29, 1954 Senate committee reported S. 906 with amendment. S. Rept. 1655. Print of bill and report.
- July 6, 1954 Senate passed S. 906 with amendments.
- July 7, 1954 Referred to House committee on Interstate and Foreign Commerce. Print of bill as referred.
- Aug. 3, 1954 House committee ordered S. 906 reported.
- Aug. 5, 1954 House committee reported S. 906 without amendment. H. Rept. No. 2629. Print of bill and report.
- Aug. 12, 1954 House discussed and passed over S. 906.
- Aug. 19, 1954 House passed S. 906 without amendment.
- Sept. 2, 1954 Pocket vetoed. Memorandum of disapproval.

83^D CONGRESS
1ST SESSION

S. 906

IN THE SENATE OF THE UNITED STATES

FEBRUARY 13, 1953

Mr. JOHNSON of Colorado introduced the following bill; which was read twice and referred to the Committee on Interstate and Foreign Commerce

A BILL

To establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 22 of the Interstate Commerce Act (49
4 U. S. C., sec. 22) is amended (1) by inserting after the
5 section designation the letter “(a)”, and (2) by adding
6 at the end thereof the following:

7 “(b) Notwithstanding any other provision of law, any
8 rates, fares, and charges, and rules, regulations, and practices
9 with respect to the transportation of persons or property for
10 or on behalf of the United States by any common carrier or

1 freight forwarder subject to part I, II, III, or IV of this
2 Act, offered, negotiated, or established under the provisions
3 hereof by quotation or contract when accepted or agreed to
4 by the Secretary of Defense, the Secretary of Agriculture,
5 or the Administrator of the General Services Administra-
6 tion, or by any official or employee of the United States to
7 whom either of them may delegate such authority, shall be
8 conclusively presumed to be just, reasonable, and otherwise
9 lawful, and shall not be subject to attack, or reparation,
10 after the date of such acceptance or agreement upon any
11 grounds whatsoever except for actual fraud or deceit, or
12 clerical mistake. Such rates, fares, or charges, and rules,
13 regulations, or practices, may be canceled or terminated
14 upon not less than ninety days' written notice by the United
15 States or by any of the other parties thereto.

16 “(c) Any such rates, fares, or charges, rules, regula-
17 tions, or practices so made and accepted under the provisions
18 hereof shall not be considered to have any bearing upon,
19 or otherwise affect, the justness, reasonableness, or lawfulness
20 of any rates, fares, or charges, or of any rules, regula-
21 tions, or practices with respect to transportation services
22 theretofore performed for, or on behalf of, the United States,
23 nor shall the provisions of this section be construed as any
24 indication that similar rates, fares, or charges or similar

1 rules, regulations, or practices theretofore effective were or
2 were not binding upon or enforceable against the United
3 States.”

A BILL

To establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

By Mr. JOHNSON of Colorado

FEBRUARY 13, 1953

Read twice and referred to the Committee on
Interstate and Foreign Commerce

83D CONGRESS
1ST SESSION

H. R. 3288

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 19, 1953

Mr. ASPINALL introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 22 of the Interstate Commerce Act (49 U. S. C.,
4 sec. 22) is amended (1) by inserting after the section designa-
5 tion the letter “(a)”, and (2) by adding at the end
6 thereof the following:

7 “(b) Notwithstanding any other provision of law, any
8 rates, fares, and charges, and rules, regulations, and practices
9 with respect to the transportation of persons or property
10 for or on behalf of the United States by any common carrier

1 or freight forwarder subject to part I, II, III, or IV of this
2 Act, offered, negotiated, or established under the provisions
3 hereof by quotation or contract when accepted or agreed to
4 by the Secretary of Defense, the Secretary of Agriculture,
5 or the Administrator of the General Services Administration,
6 or by any official or employee of the United States to whom
7 either of them may delegate such authority, shall be con-
8 clusively presumed to be just, reasonable, and otherwise
9 lawful, and shall not be subject to attack, or reparation, after
10 the date of such acceptance or agreement upon any grounds
11 whatsoever except for actual fraud or deceit, or clerical mis-
12 take. Such rates, fares, or charges, and rules, regulations,
13 or practices, may be canceled or terminated upon not less
14 than ninety days' written notice by the United States or by
15 any of the other parties thereto.

16 “(c) Any such rates, fares, or charges, rules, regulations,
17 or practices so made and accepted under the provisions hereof
18 shall not be considered to have any bearing upon, or other-
19 wise affect, the justness, reasonableness, or lawfulness of any
20 rates, fares, or charges, or of any rules, regulations, or prac-
21 tices with respect to transportation services theretofore per-
22 formed for, or on behalf of, the United States, nor shall the
23 provisions of this section be construed as any indication that

1 similar rates, fares, or charges or similar rules, regulations,
2 or practices theretofore effective were or were not binding
3 upon or enforceable against the United States.”

A BILL

To establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

By Mr. ASPINALL

FEBRUARY 19, 1953

Referred to the Committee on Interstate and Foreign
Commerce

83^D CONGRESS
1ST SESSION

H. R. 4504

IN THE HOUSE OF REPRESENTATIVES

APRIL 13, 1953

Mr. WOLVERTON (by request) introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To amend section 22 of the Interstate Commerce Act, so as to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 22 of the Interstate Commerce Act, as amended
4 (49 U. S. C., sec. 22), is amended by inserting “(1)” im-
5 mediately after the section designation, and by adding at the
6 end thereof the following:

7 “(2) Notwithstanding any other provision of law, any
8 rates, fares, and charges, and any rules, regulations, and prac-
9 tices with respect to the transportation of persons or property

1 for or on behalf of the United States by any common carrier
2 or freight forwarder subject to part I, II, III, or IV of this
3 Act, offered, negotiated, or established under paragraph (1)
4 by quotation or contract, when accepted or agreed to by the
5 Secretary of Defense, the Secretary of Agriculture, or the
6 Administrator of General Services, or by any officer or em-
7 ployee of the United States to whom either of them may dele-
8 gate such authority, shall be conclusively presumed to be
9 just, reasonable, and otherwise lawful, and shall not be subject
10 to attack or reparation after the date of such acceptance or
11 agreement upon any grounds whatsoever except for actual
12 fraud or deceit, or clerical mistake. Any such rates, fares,
13 or charges and any such rules, regulations, or practices may
14 be canceled or terminated upon not less than ninety days'
15 written notice by the United States or by any of the other
16 parties thereto."

17 SEC. 2. (a) The amendment made by the first section
18 of this Act shall apply only with respect to rates, fares,
19 charges, rules, regulations, and practices accepted or agreed
20 to as provided in such amendment on or after the date of
21 the enactment of this Act.

22 (b) The rates, fares, charges, rules, regulations, and
23 practices with respect to which such amendment applies
24 shall not (1) be considered to have any bearing upon, or
25 otherwise affect, the justness, reasonableness, or lawfulness

1 of any other rates, fares, or charges or any other rules, regu-
2 lations, or practices with respect to transportation services
3 performed for or on behalf of the United States, or (2) be
4 construed as any indication that similar rates, fares, or
5 charges or similar rules, regulations, or practices effective
6 prior to the date of the enactment of this Act were or were
7 not binding upon or enforceable against the United States.

A BILL

To amend section 22 of the Interstate Commerce Act, so as to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

By Mr. WOLVERTON

APRIL 13, 1953

Referred to the Committee on Interstate and Foreign
Commerce

Commission; Ralph A. Tudor, Under Secretary of Interior; and E. O. Larson, regional director (Salt Lake City), Bureau of Reclamation, Interior Department. Hearings continue tomorrow.

MISCELLANEOUS BILLS AND NOMINATIONS

Committee on Interstate and Foreign Commerce: Committee, in executive session, ordered favorably reported the following:

The nominations of John C. Doerfer to be a member of the FCC, and 58 routine nominations in the Coast Guard;

Without amendment—S. J. Res. 161, to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels; S. J. Res. 67, to repeal certain World War II laws relating to return of fishing vessels; and H. R. 8538, to provide for the revocation or denial of merchant marine documents to persons involved in certain narcotics violations; and

Amended—S. 3546, to provide an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense; S. 1763, to amend section 4482 of the Revised Statutes relating to life preservers for river steamers; S. 906, to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce

Act; H. R. 7468, to amend the Interstate Commerce Act to regulate foreign motor carriers while in the U. S.; S. 3190, to prohibit the transportation of gambling devices in interstate and foreign commerce; S. 3542, to prohibit transmission of certain gambling information in interstate and foreign commerce by communication facilities (committee announced that this bill supersedes S. 2314, a related bill now on the Senate Calendar, recommitment of which will be requested by the committee); and S. 3435, to incorporate the Washington National Airport.

COUGAR DAM, OREG.

Committee on Public Works: Committee, in executive session, ordered favorably reported without amendment H. R. 7815, to provide for construction, operation, and maintenance of Cougar Dam on South Fork McKenzie River, Oreg.

INVESTIGATING COMMITTEES—RULES OF PROCEDURE

Committee on Rules and Administration: Subcommittee on Rules began hearings on miscellaneous resolutions dealing with rules of procedure for Senate investigating committees. Testifying today were Senators Bush, Hennings, Ives, and Morse. Hearings continue tomorrow.

House of Representatives

Chamber Action

Bills Introduced: 23 public bills, H. R. 9695-9717; 10 private bills, H. R. 9718-9727; and 6 resolutions, H. J. Res. 551, H. Con. Res. 243, and H. Res. 600-603, were introduced.

Pages 8618, 8666

Bills Reported: Reports were filed as follows:

H. Res. 600, open rule providing for 5 hours of debate on and the waiving of points of order against H. R. 9678, to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, filed on June 25 (H. Rept. 1924);

H. R. 9678, to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, filed on June 25 (H. Rept. 1925);

Conference report on H. R. 8680, making appropriations for the Department of the Interior for fiscal year 1955, filed on June 26 (H. Rept. 1926);

H. R. 9680, to provide for continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in the products of agriculture, filed on June 26 (H. Rept. 1927);

H. R. 7486, to amend section 1071, title 18, U. S. Code, relating to the concealing of persons from arrest, so as

to increase the penalties therein provided (H. Rept. 1928);

H. R. 9252, providing a national defense reserve of tankers and to promote the construction of new tankers, amended (H. Rept. 1929);

Nine private bills, H. R. 697, 803, 804, 949, 977, 1646, 1697, 1360, and 1463 (H. Repts. 1930-1938, respectively);

H. R. 9144, relating to the lifting of restrictions or limitations upon bank loans to established industrial or commercial businesses in which Small Business Administration cooperates (H. Rept. 1939);

H. R. 8783, to direct the Housing and Home Finance Administrator to convey to the Housing Authority of St. Louis County, Mo., the interest of the United States in Public Housing project MO-V-23153, amended (H. Rept. 1940);

H. R. 9640, to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services; provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act, amended (H. Rept. 1941);

H. R. 8549, granting the consent of Congress to the Breaks Interstate Park Compact (H. Rept. 1942);

H. R. 236, authorizing the construction of the Fryingpan-Arkansas project in Colorado, amended (H. Rept. 1943);

S. J. Res. 165, to provide for construction of Glendo unit, Wyoming, Missouri River Basin project (H. Rept. 1944); and

Conference report on H. R. 9517, making appropriations for the District of Columbia for fiscal year 1955 (H. Rept. 1945). Pages 8665-8666

Appropriations: The House today sent the following two appropriation bills to conference:

District of Columbia appropriations: Disagreed to Senate amendments to H. R. 9517, making appropriations for the District of Columbia for fiscal year 1955; agreed to a conference requested by the Senate; and appointed as conferees Representatives Wilson of Indiana, Vursell, Hunter, Norrell, and Fernandez.

Labor-HEW appropriations: Disagreed to Senate amendments to H. R. 9447, making appropriations for the Departments of Labor, and Health, Education, and Welfare for fiscal year 1955; agreed to a conference requested by the Senate; and appointed as conferees Representatives Budge, Jensen, Taber, Clevenger, Fogarty, Fernandez, and Cannon. Pages 8612-8614

Interior Department Appropriations: Adopted the conference report on H. R. 8680, making appropriations for the Department of the Interior for fiscal year 1955, and cleared the legislation for the Senate. Eight amendments were in disagreement, on which the House voted to recede and concur in Senate amendments Nos. 25, 26, 27, 28, 29, and 54; and to recede and concur with amendments to Senate amendments Nos. 6 and 58.

Adopted H. Con. Res. 243, authorizing the making of certain corrections in the enrollment of H. R. 8680. Pages 8614-8618

Duty-Free Imports: Adopted and sent to the Senate H. J. Res. 256, 537, and 545, to permit admission of articles imported from foreign countries without payment of tariff for the purpose of exhibition at certain fairs and expositions. Pages 8618-8620

Footwear Imports: H. R. 6465, relating to import duty on rubber-sole footwear; was cleared for Presidential action when the House agreed to Senate amendments thereto. Page 8620

Copper Taxes: Agreed to Senate amendments to H. R. 7709, to extend the date of suspension of certain import taxes on copper to June 30, 1955, and thus cleared the bill for the White House. Page 8620

Virgin Islands: Insisted on its amendment to S. 3378, to revise the Organic Act of the Virgin Islands; agreed to conference requested by the Senate; and appointed as conferees Representatives D'Ewart, Saylor, Berry, Engle, and Bentsen. Page 8620

Pacific Trust: Passed, without amendment, S. 3318, to provide for a continuance of civil government for the

Trust Territory of the Pacific Islands. This action clears the legislation for the President. Pages 8620-8621

Mutual Security: Adopted H. Res. 600, the open rule providing for 5 hours of general debate on H. R. 9678, to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and the waiving of points of order against the bill. When the Committee of the Whole rose there was 15 minutes of debate remaining on each side. Pages 8622, 8624-8660

Reciprocal Trade: Considered Senate amendments to H. R. 9474, the reciprocal trade agreements extension bill, and voted to concur in Senate amendment No. 1, with an amendment; and to concur in Senate amendment No. 2. The bill now goes back to the Senate. Pages 8660-8661

Resolution Referred: One Senate-passed concurrent resolution was referred to the Committee on Foreign Affairs. Page 8664

Program for Tuesday: Adjourned at 5:28 p. m. until Tuesday, June 29, at 11 a. m., when the House will act on S. Con. Res. 91, to express the sense of Congress on interference in Western Hemisphere affairs by the Soviet Communists; and the conference report on H. R. 9517, the D. C. appropriation bill for 1955; after which consideration of H. R. 9678, the mutual security program extension bill, will be resumed.

Committee Meetings

MILITARY HOUSING

Committee on Armed Services: Resumed public hearings on H. R. 9647, to authorize the construction of about 25,000 units of military family housing, and to amend the National Security Act of 1947. Today's witnesses were Representative Ford (Michigan); Adm. Joseph F. Jelley, Director of Construction, Office of the Assistant Secretary of Defense (Properties and Installations); Maurice H. Lanman, Assistant General Counsel, Department of Defense; Brig. Gen. W. A. Carter, Jr., Chief (G-4), Department of Army; and G. P. Korink, Bureau of Yards and Docks (Navy).

Recessed until Wednesday morning when it will conduct public hearings on H. R. 9689, to provide for two additional Assistant Secretaries of the Army, Navy, and Air Force, respectively.

DUCK STAMPS

Committee on Interior and Insular Affairs: Subcommittee on Public Lands today considered the administration of the Migratory Bird Stamp Act, and heard Carl Shoemaker, a consultant with the National Wildlife Federation and the general counsel of the International Association of Game, Fish, and Conservation Commissioners. The witness discussed the use of funds accumulated by the purchase of duck stamps by hunters, and pointed out that administration costs were greatly in

AMENDING THE INTERSTATE COMMERCE ACT TO
ESTABLISH FINALITY OF CONTRACTS BETWEEN THE
GOVERNMENT AND COMMON CARRIERS.

JUNE 29 (legislative day, JUNE 22), 1954.—Ordered to be printed

Mr. SCHOEPPEL, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

[To accompany S. 906]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (S. 906) to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

AMENDMENT

The amendment is as follows:

On page 2, at the end of line 9 after the comma add the words "after one hundred and eighty days". The committee felt that a period of 180 days should be allowed the Government before the door was finally closed to renegotiation; and it was believed that this period of time would allow the audit sections of the various departments sufficient time to complete their review.

PURPOSE AND NEED FOR THE LEGISLATION

This bill was favorably reported by this committee during the 82d Congress under bill No. S. 2355. The bill is designed to prevent reparation cases coming before the Interstate Commerce Commission as a result of uncertainty and disagreements between the United States and those common carriers with whom they bargain and contract under section 22 of the Interstate Commerce Act for the transportation of United States property and passengers at rates below those filed with and approved by the Interstate Commerce Commis-

sion. Such rates and contracts embodying these rates are usually termed section 22 quotations.

Section 22 of the Interstate Commerce Act permits carriers to transport property and passengers for the United States Government at free or reduced rates, notwithstanding the existence of published rates, approved by the Interstate Commerce Commission, which govern the transportation of passengers and property for the general public. Section 22 quotations result from bargaining between officials of the Government and officers of the carriers involved.

Until recently, reduced-rate agreements of this sort were regarded as contracts binding on both the Government and the carriers. In a series of complaints filed with the Commission by the Department of Justice following World War II, the Government has taken the position that it has the right to reopen these agreements and seek to recover a part of the payments made on the grounds that the original negotiated rates were unreasonably high. In the cases currently being considered by the Commission, 18 in all, the reparations sought by the Government have been estimated to reach as high as \$2 billion to \$3 billion on the shipments involved.¹

While the great bulk of the present reparation cases involve the Government's so-called land-grant privilege, which was repealed in 1945 a number of the cases involving significant sums of money have been brought about by the Justice Department purely on the basis of dissatisfaction with rates agreed to under section 22. In some of the land-grant rate complaints the Government contends that the railroads should have published reduced commercial rates—that is, available to all shippers—which, with the land-grant reductions, would have produced lower charges than the section 22 quotations. The repeal of the land-grant statute, however, will tend to prevent the recurrence of situations such as these in the future.

Retroactive rate controversies now before the Commission have demonstrated that the law governing the respective rights of the Government and the carriers in this area is unsettled. It should be noted that Government traffic in both freight and personnel has grown enormously in recent years. During World War II, the Government was by far the largest single shipper of freight in the United States and the largest purchaser of passenger service. The same is probably true today, with the Government's share of the total railroad freight traffic estimated at 25 percent. In addition, section 22 has been extended to apply to motor carriers and water carriers, with motor carriers being heavy transporters of Government traffic.

Disagreements between the Government and the carriers over the reasonableness and the binding effect of section 22 agreements appear to be reducing the number of such agreements currently being reached between the Government and the railroads.² This is attributed to the fact that only one of the parties to the contract is bound by its terms.

A somewhat different twist has been given, in the case of certain motor carriers, by the Government's attempt to impose retroactive rate adjustments on carriers with whom contracts have been made under section 22. In these cases, as set forth in the hearings,³ the

¹ See testimony of Edwin C. Matthias, vice president and general counsel, Great Northern R. R. Co., p. 46, hearings on S. 904 and 906.

² See testimony of J. Carter Fort, p. 320, Domestic land and water hearings, 82d Cong., 2d sess.

³ See testimony of Francis E. Barrett, committee hearings, p. 326, *ibid*.

General Accounting Office has deducted from the accounts of carriers large sums of money alleged by the GAO to represent the difference between the carriers' published rates and those agreed upon with the the Government on a contract or special-handling basis. These difficulties arose, principally during the last war, due to the Government's need for a flexible transportation service which could handle instantaneously, small, less-than-truckload lots of materials which were required on an emergency basis. In such cases, regular common carrier service was inadequate, and the Government arranged, under section 22 of the Interstate Commerce Act, for transportation service on a flat-rate basis, regardless of the size of the load carried. After the war, however, and in some cases as much as 4 years later, the General Accounting Office reviewed these accounts and the contracts under which the payments were made, and decided the payments for less-than-truckload shipments were in excess of the carriers' published, common-carrier-service rates; thus overlooking the special circumstances prevailing at the time the contractual arrangements were entered into, which circumstances required the special type of service provided by the carriers for the Government.

Freight forwarders and water carriers of property and passengers have also been involved in similar controversies with the Government under section 22 arrangements regarding future retroactive attacks on the reasonableness of their reduced-rate agreements with the Government.

Because of the conditions discussed above, the committee feels that the time is overdue to stabilize and formalize the relations between the Government as a shipper and those carriers with whom they engage in agreements for special reduced rates. The committee considers it very important that both parties in section 22 agreement have reasonable protection against any arbitrary revocation of the terms of the contract. The committee is also concerned lest a growing number of reparations cases bog down the work of the already overburdened Interstate Commerce Commission. Senate bill S. 906 is designed to prevent controversies of this kind from arising in the future by removing any uncertainty about the rights and privileges accorded to the parties under such agreements.

It should be noted, however, that the committee expressly withdraws itself from any contact with, or expression of opinion about those section 22 reparations cases now before the Commission for adjudication. The committee feels that these claims should be settled on the basis of the law and the circumstances existing prior to the introduction of this legislation.

Transportation as a public utility is a heavily regulated industry, especially with regard to rates. Negotiated agreements on rates under section 22 are usually below the approved rate levels filed with the ICC, while the prices charged by other industries dealing with the Government are not regulated by the Government. Herein also lies the fundamental difference between negotiated rates and those tariffs approved by the ICC. Carriers are not compelled to offer reduced rates to the Government; they are, in a real sense, gratuities, insofar as they are below published rates. The Government is always free to use the carriers' published tariff rates if it so chooses; and if it is dissatisfied with those rates, it may appeal to the Commission as to the reasonableness of the rates.

SCOPE OF THE LEGISLATION

S. 906 is designed simply to establish the finality of contracts between the United States Government and common carriers of passengers and freight subject to the Interstate Commerce Act. The bill applies to carriers operating under parts I, II, III, and IV of the act, thus including railroads, motor carriers, water carriers, and freight forwarders. The bill concerns only those agreements or contracts entered into between the Government and carriers under the authority of section 22 of the act, which at present provides in part—

that nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States * * *

Under this provision the railroads and other carriers, at the request of Government agencies, have from time to time established many reduced rates. The present bill proposes that, after the quotation or contract has been accepted or agreed to by the Secretary of Defense, the Administrator of the General Services Administration, the Secretary of Agriculture, or by any official or employee of the United States to whom they may delegate such authority, the rate so established shall be conclusively presumed to be just, reasonable, and otherwise lawful and shall not be otherwise subject to attack or reparation after the date of such acceptance or agreement upon any grounds whatsoever except for actual fraud, deceit, or clerical mistake.

The bill would also prevent consideration of the reduced rates as evidence of unreasonableness of other rates, and provides that its passage shall have no effect on transactions with the Government other than those carried out under its provision.

Finally, the bill provides that rates, fares, or charges, and rules, regulations, or practices, may be canceled on 90 days' notice by either of the parties to the agreement or contract under this section.

Probably the most serious question proposed to this bill concerns its effect upon the rights accruing to the Government in its negotiations for transportation service. As the Interstate Commerce Commission stated to the committee: ⁴

It has generally been accepted that the Government is entitled to all the rights and remedies available to the regular commercial shipper or traveler; that it can use without question the established commercial rates for the movement of its traffic; that section 22 is also available for the establishment of charges for the use of the Government, but that the privileges extended by this section are not mandatory and cannot be used unless the carriers are willing to offer special rates under its provisions and the Government is disposed to accept and use them.

The Interstate Commerce Commission further contends, however, that (1) as a principle of law, the Government cannot have its rights affected by a general statute unless its application to the Government be clear and indisputable in the text of the act and, therefore, that the best and simplest manner to accomplish the purpose of this legislation would be to apply the doctrine of estoppel; and that (2) by so doing there would not be established by the legislation two standards of justness and reasonableness of rates—one for commercial rates and the other for section 22 quotations. The same emphasis on the Government's rights of renegotiation, though in a context of oppo-

⁴ Committee hearings, p. 305. Domestic land and water hearings, 82d Cong., 2d sess., also testimony of Charles D. Mahaffie, pp. 45 and 46 of hearings on S. 904 and S. 906.

sition to the bill, was expressed by the Department of Justice and the General Accounting Office, General Services Administration, Department of Defense, Department of Agriculture, all of whom maintained that the bill would place the Government in a position inferior to that of the carriers with whom they do business under section 22. The Interstate Commerce Commission and the Department of Commerce, however, are in favor of the bill. These agencies point out that the rights of the Government would be substantially the same as commercial users.

The committee contends, however, that no rights belonging to the Government are affected at all by this legislation. There is a fundamental difference between rates for commercial shippers which are subject to regulation, and the special rates which the carriers voluntarily grant to the Government which are not subject to regulation under the Interstate Commerce Act, but are the product of negotiation between the Government and the carriers on much the same basis as private individuals negotiate and contract on matters between themselves. Section 22, and the reduced rates granted under it to the Government, is permissive, not compulsory. The Government is always free to use the carriers' regular published tariff rates if it so chooses; dissatisfaction with these rates may be brought to the Commission, which can then rule on the reasonableness of the rates in question.

This committee is of the opinion that the Government would be performing a public service by taking such action. Lowest possible rates consistent with good service and sound economic management is still a much-to-be-desired goal in transportation.

Nothing in this bill would change, or effect in any way, the historic and well-established function of the Interstate Commerce Commission as having exclusive jurisdiction over the determination and reasonableness of duly filed and published rates.

The bill is intended only to clarify the Government's authority to enter into mutually binding contractual arrangements governing transportation charges under section 22 of the Interstate Commerce Act which are lower than those otherwise available under published tariffs.

It should be emphasized once again, that nothing in this bill would deprive the Government of any right of appeal to the Commission in regard to unreasonable rates; the Government would retain precisely the same right of appeal and adjustment as private shippers have in regard to the published approved rates filed with the Interstate Commerce Commission. They would also continue to enjoy the privilege, under section 22, of seeking rates lower than those published and approved by the Commission. Rates negotiated with carriers do not come as a right to the Government, as do published rates; they are negotiated between equals, and entered into freely, and are below the published rates approved by the Interstate Commerce Commission as just and reasonable. Therefore, the committee sees no reason why future agreements should be subject to renegotiation on a retroactive basis.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as re-

ported, are shown as follows (new matter is printed in italic, existing law in which no change is proposed is shown in roman):

INTERSTATE COMMERCE ACT

* * * * *

SEC. 22. (a) That nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States * * *.

(b) *Notwithstanding any other provision of law, any rates, fares, and charges, and rules, regulations, and practices with respect to the transportation of persons or property for or on behalf of the United States by any common carrier or freight forwarder subject to part I, II, III, or IV of this Act, offered, negotiated, or established under the provisions hereof by quotation or contract when accepted or agreed to by the Secretary of Defense, the Secretary of Agriculture, or the Administrator of the General Services Administration, or by any official or employee of the United States to whom either of them may delegate such authority, shall be conclusively presumed to be just, reasonable, and otherwise lawful, and shall not be subject to attack, or reparation, after one hundred and eighty days after the date of such acceptance or agreement, upon any grounds whatsoever except for actual fraud or deceit, or clerical mistake. Such rates, fares, or charges, and rules, regulations, or practices, may be canceled or terminated upon not less than ninety days' written notice by the United States or by any of the other parties thereto.*

(c) *Any such rates, fares, or charges, rules, regulations, or practices so made and accepted under the provisions hereof shall not be considered to have any bearing upon, or otherwise affect, the justness, reasonableness, or lawfulness of any rates, fares, or charges, or of any rules, regulations, or practices with respect to transportation services theretofore performed for, or on behalf of, the United States, nor shall the provisions of this section be construed as any indication that similar rates, fares, or charges or similar rules, regulations, or practices theretofore effective were or were not binding upon or enforceable against the United States.*

○

Calendar No. 1667

83^D CONGRESS
2^D SESSION

S. 906

[Report No. 1665]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 13, 1953

Mr. JOHNSON of Colorado introduced the following bill; which was read twice
and referred to the Committee on Interstate and Foreign Commerce

JUNE 29 (legislative day, JUNE 22), 1954

Reported by Mr. SCHOEPPel, with an amendment

[Insert the part printed in italic]

A BILL

To establish the finality of contracts between the Government
and common carriers of passengers and freight subject to the
Interstate Commerce Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 22 of the Interstate Commerce Act (49
4 U. S. C., sec. 22) is amended (1) by inserting after the
5 section designation the letter “(a)”, and (2) by adding
6 at the end thereof the following:

7 “(b) Notwithstanding any other provision of law, any
8 rates, fares, and charges, and rules, regulations, and practices
9 with respect to the transportation of persons or property for
10 or on behalf of the United States by any common carrier or

1 freight forwarder subject to part I, II, III, or IV of this
2 Act, offered, negotiated, or established under the provisions
3 hereof by quotation or contract when accepted or agreed to
4 by the Secretary of Defense, the Secretary of Agriculture,
5 or the Administrator of the General Services Administra-
6 tion, or by any official or employee of the United States to
7 whom either of them may delegate such authority, shall be
8 conclusively presumed to be just, reasonable, and otherwise
9 lawful, and shall not be subject to attack, or reparation, *after*
10 *one hundred and eighty days* after the date of such acceptance
11 or agreement upon any grounds whatsoever except for actual
12 fraud or deceit, or clerical mistake. Such rates, fares, or
13 charges, and rules, regulations, or practices, may be canceled
14 or terminated upon not less than ninety days' written notice
15 by the United States or by any of the other parties thereto.

16 “(c) Any such rates, fares, or charges, rules, regula-
17 tions, or practices so made and accepted under the provisions
18 hereof shall not be considered to have any bearing upon,
19 or otherwise affect, the justness, reasonableness, or lawfulness
20 of any rates, fares, or charges, or of any rules, regula-
21 tions, or practices with respect to transportation services
22 theretofore performed for, or on behalf of, the United States,
23 nor shall the provisions of this section be construed as any
24 indication that similar rates, fares, or charges or similar

1 rules, regulations, or practices theretofore effective were or
2 were not binding upon or enforceable against the United
3 States.”

83^d CONGRESS
2^d Session

S. 906

[Report No. 1665]

A BILL

To establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

By Mr. JOHNSON of Colorado

FEBRUARY 13, 1953

Read twice and referred to the Committee on Interstate and Foreign Commerce

JUNE 29 (legislative day, JUNE 22), 1954

Reported with an amendment

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued July 7, 1954
For actions of July 6, 1954
83rd-2nd, No. 124

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HIGHLIGHTS: Senate passed bill to regulate pesticide chemicals. Sen. Mansfield defended current price support program. Sen. Murray suggested limitation on price support for big producers. Sen. Williams criticized USDA administration of drought relief. House passed bill revising food-drug title of U. S. Code. Rep. Hebert criticized USDA for holding cattle in La. and introduced measure to prevent their disposition.

SENATE

1. PESTICIDE CHEMICALS. Passed as reported H. R. 7125, to provide for regulation of residues of pesticides and chemicals in or on raw agricultural commodities (pp. 9235-7).
2. FARM PROGRAM. H. R. 9680, the farm program bill as passed by the House, was referred to the Senate Agriculture and Forestry Committee (p. 9218).
Sen. Langer inserted a Farmers Union local resolution on various aspects of the farm program (p. 9216).
3. PRICE SUPPORTS. Sen. Mansfield defended the present price support program and stated that its cost has been small compared with subsidies to business (pp. 9258-63).
Sen. Murray defended the current price support program and suggested that its benefits to large producers be restricted (pp. 9222-3).
4. DROUGHT RELIEF. Sen. Williams criticized assistance to the King ranch in connection with the drought-relief program and inserted a letter from K. L. Scott on this matter (pp. 9263-4).
5. TRANSPORTATION. Passed with amendments S. 906, to establish the finality of contracts between the Government and common carriers of passengers and freight

subject to ICC regulation (pp. 9241-3).

6. FOREIGN AID. Agreed, as reported, to S. Res. 214, providing for a study of technical assistance programs by the Foreign Relations Committee (p. 9227).
Sen. Smathers requested additional aid for Latin America (p. 9218).
7. RECLAMATION. Passed with amendment H. R. 4854, to authorize the Foster Creek project, Wash. (pp. 9223-4).
8. PERSONNEL. Discussed and passed over S. 3681, to aid in providing life insurance for Federal employees (p. 9241). Sen. Knowland announced that this bill is to be debated later in the week (p. 9251).
Both Houses received from the Budget Bureau a report on operations under title X of the Classification Act, regarding management improvement and awards; to Post Office and Civil Service Committees (pp. 9216, 9385).
9. VOCATIONAL REHABILITATION. S. 2759, to extend and improve the Vocational Rehabilitation Act, was made the unfinished business (p. 9263).

HOUSE

10. APPROPRIATIONS. H. Doc. 460 (July 2) is a supplemental appropriation estimate of \$350,000 additional to the Labor Department to recruit additional Mexican farm laborers to harvest the cotton, vegetable, and citrus crops. The Budget Bureau letter states, "The recently intensified program...to apprehend and deport aliens is expected to curtail the number of Mexican farm laborers employed illegally and increase the demand for legally recruited workers."
H. Doc. 459 (July 2) is a supplemental appropriation estimate of \$60,000 to GSA "to make the overall studies and to direct the establishment of" motor vehicle pools pursuant to H. R. 8753. The Budget Bureau letter states, "Ordinary operating and supervisory costs will be paid for by the agencies using these pools." The document also includes a Presidential recommendation for legislation to provide that "Leased warehouse space temporarily in excess of operating requirements may be subleased to commercial organizations and the proceeds credited to the fund from which rental payments are made."
11. MINERALS; PUBLIC LANDS. The Interior and Insular Affairs Committee reported with amendment H. R. 8896, to provide for multiple mineral development of the same tracts of public lands (H. Rept. 2028) (p. 9386).
12. RECLAMATION. Passed without amendment S. J. Res. 165, to authorize the Secretary of the Interior to include the Glendo unit, Wyo. in the comprehensive plan for development of the water resources of the Missouri River Basin authorized by the Flood Control Acts of 1944 and 1946. No additional funds for the construction of the Missouri River Basin project are authorized by this measure. (pp. 9293-4). This measure will now be sent to the President.
13. WATER COMPACT. Passed without amendment S. 3336, to include Nevada and Utah among the States authorized to negotiate a compact for division of Columbia River Waters (p. 9291). This bill will now be sent to the President.
14. LAW REVISIONS. Passed without amendment bills to revise, codify, and enact into positive law parts of the U. S. Code as follows: H. R. 9728, title 21, "Food, Drugs, and Cosmetics" (including various provisions enforced by this Department regarding animals and poultry)(pp. 9295-317); H. R. 9729, "Census"

SAFETY AND PROTECTION OF THE PUBLIC IN CERTAIN MOTOR-CARRIER TRANSPORTATION

The Senate proceeded to consider the bill (H. R. 7468) to amend certain provisions of part II of the Interstate Commerce Act so as to authorize regulation, for purposes of safety and protection of the public, of certain motor-carrier transportation between points in foreign countries, insofar as such transportation takes place within the United States which had been reported from the Committee on Interstate and Foreign Commerce with an amendment, on page 3, line 1, after the word "operates", to insert "and with the Interstate Commerce Commission."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILLS PASSED OVER

The bill (S. 3190) to amend section 3 of the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce, was announced as next in order.

Mr. HENDRICKSON. Mr. President, by request, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3542) to prohibit transmission of certain gambling information in interstate and foreign commerce by communications facilities, was announced as next in order.

Mr. HENDRICKSON. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

GROUP LIFE INSURANCE FOR CIVIL OFFICERS AND EMPLOYEES—BILL PASSED OVER

The bill (S. 3681) to authorize the Civil Service Commission to make available group life insurance for civil officers and employees in the Federal service, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object—and I shall not object—I notice that this bill will cost the United States Government approximately \$70 million.

Mr. SMATHERS. Mr. President, if the Senator from New Jersey is not disposed to object, I am in favor of the bill as an individual, but it is not the kind of bill that should be passed on the Unanimous Consent Calendar.

Mr. HENDRICKSON. I am concerned about that question also, but I do not wish to delay passage of the bill.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

Mr. CARLSON. Mr. President, I think the Senate has taken the proper action on this bill. In my opinion it should come up for consideration of the Senate when the calendar is not being called.

BILL PASSED OVER

The bill (S. 3435) to amend the act relating to the administration of the Washington National Airport to incorporate the Washington National Airport Corporation, and for other purposes, was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

FINALITY OF CONTRACTS BETWEEN THE GOVERNMENT AND COMMON CARRIERS

The bill (S. 906) to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act was announced as next in order.

Mr. HENDRICKSON. Mr. President, reserving the right to object—and I shall not object—I should like to request an explanation of the bill.

Mr. SCHOEPEL. Mr. President, this bill amends section 22 of the Interstate Commerce Act so as to enable the United States and the carriers to bargain as to rates on a firm and dependable basis. Our committee favorably reported this bill in the 82d Congress, 2d session, under bill S. 2355.

Section 22 of the act at present provides "that nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States." Under this provision the railroads and other carriers from time to time have established many such reduced rates at the request of Government agencies, commonly referred to as "section 22 quotations or agreements." During World War II the railroads alone issued 740 such quotations.

At one time arrangements of this sort were regarded as contracts binding on both the carriers and the Government, but in recent years the Government has taken the position that by utilizing the rates so established it was not barred from later undertaking to obtain still lower charges as a result of orders of the Interstate Commerce Commission entered after the filing and hearing of complaints by the Government. At present there are pending before the Commission a number of these complaints, commonly known as the Government reparation cases.

The purpose of this bill is to prevent the Government, by complaint to the Commission, from assailing the rates established. Accordingly, it is proposed that after the quotation or contract has been accepted or agreed to by the Secretary of Defense or the Administrator of the General Services Administration, or by any official or employee of the United States to whom they may delegate such authority, the rate so established shall be conclusively presumed to be just, reasonable, and otherwise lawful and shall not be subject to attack, or reparation, after the date of such acceptance or agreement upon any grounds whatsoever except for actual fraud or deceit or clerical mistake.

The bill would also prevent consideration of the reduced rates as evidence of unreasonableness of other rates. It also provides that its passage shall not affect transactions other than those carried out under its terms. In other words, it is not retroactive.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. SCHOEPEL. I yield.

Mr. MAGNUSON. I am certain that the Senator from Kansas will agree to an amendment which I shall propose on page 1, line 10. At present the language is as follows: "any common carrier, or freight forwarder, subject to part I, II, or IV, of this act."

My amendment is to delete the words, "or freight forwarder," because, by Public Law 881, of the 81st Congress, enacted in 1950, freight forwarders were declared to be common carriers.

It was necessary to pass the bill at the time because of the confusion which arose with respect to freight forwarders. In other instances, freight forwarders have been eliminated from similar bills, because freight forwarders now are common carriers.

The PRESIDING OFFICER. Before considering the amendment offered by the Senator from Washington, the Chair inquires if there is objection to the present consideration of the bill.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce with an amendment on page 2, line 9, after the word "reparation", to insert "after 180 days", so as to make the bill read:

Be it enacted, etc., That section 22 of the Interstate Commerce Act (49 U. S. C., sec. 22) is amended (1) by inserting after the section designation the letter "(a)", and (2) by adding at the end thereof the following:

"(b) Notwithstanding any other provision of law, any rates, fares, and charges, and rules, regulations, and practices with respect to the transportation of persons or property for or on behalf of the United States by any common carrier or freight forwarder subject to part I, II, III, or IV of this act, offered, negotiated, or established under the provisions hereof by quotation or contract when accepted or agreed to by the Secretary of Defense, the Secretary of Agriculture, or the Administrator of the General Services Administration, or by any official or employee of the United States to whom either of them may delegate such authority, shall be conclusively presumed to be just, reasonable, and otherwise lawful, and shall not be subject to attack, or reparation, after 180 days after the date of such acceptance or agreement upon any grounds whatsoever except for actual fraud or deceit, or clerical mistake. Such rates, fares, or charges, and rules, regulations, or practices, may be canceled or terminated upon not less than 90 days' written notice by the United States or by any of the other parties thereto.

"(c) Any such rates, fares, or charges, rules, regulations, or practices so made and accepted under the provisions hereof shall not be considered to have any bearing upon, or otherwise affect, the justness, reasonableness, or lawfulness of any rates, fares, or charges, or of any rules, regulations, or practices with respect to transportation services theretofore performed for, or on behalf of, the United States, nor shall the provisions of this section be construed as any indication that similar rates, fares, or charges or

similar, rules, regulations, or practices theretofore effective were or were not binding upon or enforceable against the United States."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. MAGNUSON. Mr. President, I now submit an amendment, on page 1, line 10, to eliminate three words: "or freight forwarder."

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 1, line 10, it is proposed to strike out "or freight forwarder."

Mr. MAGNUSON. Mr. President, I desire to have printed at this point in the RECORD an explanation of the necessity for the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

Bill S. 906 contains a defect of language, of a technical nature, which could have serious consequences unless the language is corrected. It is not necessary to discuss the merits of the bill in order to illustrate this defect.

Beginning with line 10, page 1, of the bill, the following language appears: " * * * any common carrier, or freight forwarder, subject to part I, II, III, or IV of this act."

The words "or freight forwarder" are unnecessary, because freight forwarders, subject to part IV of the act, are common carriers. They were so declared by an act of Congress enacted in 1950, Public Law 881, 81st Congress.

To use the words "or freight forwarder," in addition to the words "any common carrier," has the effect, at least by implication, of distinguishing freight forwarders from common carriers. This might lead to the same administrative defects which caused Congress to clarify the status of freight forwarders as common carriers in 1950.

It is accordingly suggested that the words "or freight forwarder" be stricken from the bill.

The precedent for such action is found in H. R. 116, passed by the Senate on May 18, 1954. The words "or freight forwarder" were stricken from that bill for the reason stated.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

The amendment was agreed to.

Mr. SMATHERS. Mr. President, I offer an amendment, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Florida.

The LEGISLATIVE CLERK. On page 2, line 10, after the word "days", in the committee amendment, it is proposed to insert a comma and "or 2 years in the case of contracts entered into during a national emergency declared by Congress."

Mr. MORSE. Mr. President, may we have an explanation with respect to the effect of the amendment?

Mr. SMATHERS. I think the language of the amendment is necessary to protect the Federal Government. Under the bill, whenever a carrier has entered into a contract with the Federal Government, the Federal Government cannot

thereafter ask for a renegotiation of the contract. The contract will be final.

I believe that in times of emergency, particularly when the emergency has been declared by Congress, and the Federal Government has entered into a contract with a carrier, the Government should have the right, within 2 years, to have the contract reexamined and renegotiated, if it appears that the contract which had been made was improper in any respect. For that reason, I have offered the amendment.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield for a question?

Mr. SMATHERS. I am happy to yield.

Mr. SCHOEPPPEL. Will the Senator kindly explain what is meant by the "2 years"? From what specific date or act?

Mr. SMATHERS. Two years from the date on which a contract has been entered into between a carrier and the Federal Government. In other words, it is the same provision as that which is contained in contracts between ordinary shippers and carriers. They have 2 years in which to reexamine and renegotiate, if they so desire.

Mr. SCHOEPPPEL. Is it the proposal of the Senator from Florida to limit the provision only to periods of war?

Mr. SMATHERS. It is proposed to limit the provision to periods which Congress has declared to be emergencies. It would not include a time which the President has declared to be an emergency, but only a period which Congress has declared to be an emergency. At such a time I believe it can be presumed there may be great confusion. The Federal Government, for example, would be seeking to transport troops and ammunition under contracts made quickly with carriers.

Therefore, by virtue of the contracts having been made during an emergency, there should be a period of 2 years in which the Government could renegotiate contracts with carriers, if that should be desired. The amendment is designed simply to protect the Federal Government.

Mr. SCHOEPPPEL. As the distinguished Senator from Florida knows, bills similar to this have been before Congress many times, seeking to do what the bill now before the Senate proposes to accomplish. There has been a feeling that Congress might find itself confronted with the same situation as now confronts us.

Mr. SMATHERS. I agree with the general purposes of the bill. As the Senator knows, we discussed in the committee the question of an amendment similar to this.

Mr. SCHOEPPPEL. That is correct.

Mr. SMATHERS. I do not believe there should be a recurrence of the situation which exists today, under which, some 12 years after a contract has been entered into, the Government is still enabled to renegotiate contracts, and the carriers, whether they be the Pennsylvania Railroad or any other carrier, do not know actually how they stand. The carriers do not know what the Government finally will pay them. I think that condition should be rectified.

On the other hand, I believe that in times of national emergency, when great confusion exists incident to the emergency, Congress should provide that whenever the Government enters into a contract, for whatever the contract may be for, the Government will have to pay the bill within a reasonable time.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. MORSE. Let us consider the amendment in terms of a hypothetical situation. That will help me to understand it.

Let us suppose that Congress passes the bill with the Senator's amendment. Let us then suppose that on September 1, 1954, the Federal Government enters into a contract with a carrier. Let us assume further that on November 1, 1954, the Nation finds itself involved in a great national emergency or a war declared by Congress. As a result, the Government floods the carrier with business beyond all anticipation, so far as the contract is concerned.

The Senator from Florida says, as I understand him, that the Government should be allowed to renegotiate the contract, with respect to the business which now accrues to the carrier, as a result of the emergency, because, if that is not done, the carrier might make exorbitant profits at the expense of the taxpayers, which it could not possibly accept in the normal operations of the trade of the country.

Mr. SMATHERS. That is correct. The Senator from Oregon understands the purpose of the amendment correctly. I agree that there should be a reasonable limitation. That is why I have made it 2 years. I do not believe negotiations should be carried on for 10 or 12 years. I think the Government should renegotiate with carriers, as is being done today, but I believe there should be a reasonable period of time in which the Government should be permitted to reexamine its contracts which have been made in times of national emergency declared by Congress.

Mr. SCHOEPPPEL. I agree that the Senator from Florida has made a very valid point. The inclusion of a 2-year limitation would certainly give protection, and should prevent some of the disastrous results and unbusinesslike approaches which have occurred when 10 or 12 years have elapsed before contracts have been renegotiated, causing untold expense.

Mr. SMATHERS. I hope the Senator from Kansas will be willing to accept my amendment.

Mr. SCHOEPPPEL. I am glad to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. SMATHERS].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEVELOPMENT OF THE PRIEST RAPIDS SITE ON THE COLUMBIA RIVER, WASH.—BILL PASSED OVER

The bill (H. R. 7664) to provide for the development of the Priest Rapids site on the Columbia River, Wash., under a license issued pursuant to the Federal Power Act was announced as next in order.

Mr. MORSE. Mr. President, reserving the right to object—and I shall object—I wish to make a very brief statement for the RECORD. I opposed the bill in the Committee on Public Works. It had a very interesting life history in the committee. At one time it was adopted with certain amendments; then, because of a parliamentary situation which developed, the bill was adopted without amendments.

I am opposed to the bill with or without amendments; nevertheless, I am frank to say that the bill would be less objectionable with the amendments than without them, although I would still speak on the floor against the bill with the amendments. But the matter, in my judgment, is of such major importance with respect to the development of the entire power resources of the country that it ought to be scheduled for full debate in the Senate.

Mr. MAGNUSON. Mr. President, will the Senator withhold his objection?

Mr. MORSE. I withhold my objection.

Mr. MAGNUSON. I believe the Senator from Oregon will agree with me and with my colleague, who is unavoidably detained today, that there should be immediate action on the bill, which is a House bill. We should like to be able to have the bill taken to conference, and to have ironed out some of the points on which the Senator from Oregon and I are somewhat in agreement.

I was hopeful that the bill could be passed today, but I am certain the Senator from Oregon will join with me in the hope that the bill will be brought before the Senate very soon.

I shall again submit my amendment relating to the so-called preference clause, but I hope the bill will not be unconscionably delayed in any manner, because it is necessary to proceed with the development of the site.

Mr. MORSE. Although the Senator from Washington and I usually agree, I do not intend to put on the other half of the double harness in connection with the bill. I do not have any doubt that the Senator from Washington will be able to have the bill called up on the floor of the Senate, but he is not going to have the bill called up with my pulling on the traces, or the whiffle tree, either, let me assure him, because I do not think this bill, or any other bill relating to the power subject should come up on the floor of the Senate until there can be full debate on the entire question of the administration's power policy, to which I am unalterably opposed.

The PRESIDING OFFICER. On objection, the bill will be passed over.

PATENT IN FEE TO JOHN McMEEL NO. 1

The bill (H. R. 7146) authorizing the Secretary of the Interior to issue a patent in fee to John McMeel No. 1 was considered, ordered to a third reading, read the third time, and passed.

SUNDAY PRAYER FOR ENSLAVED PEOPLE BEHIND THE IRON CURTAIN

The joint resolution (S. J. Res. 169) authorizing the President of the United States of America to proclaim the first Sunday of each month for a period of 12 months for prayer for people enslaved behind the Iron Curtain was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States is authorized and directed to issue a proclamation inviting the people of the United States to pause on the first Sunday of each month during the course of a period of 12 months for prayer on behalf of the millions of fellow human beings who are enslaved behind the Iron Curtain.

PAYMENT TO THE SHOSHONE IRRIGATION DISTRICT OF SHARE OF NET REVENUES FROM SHOSHONE POWERPLANT

The Senate proceeded to consider the bill (H. R. 6893) to provide for a payment to the Shoshone Irrigation District of a share of the net revenues from the Shoshone powerplant, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 1, after line 6, to strike out:

(a) the United States shall pay to the district the sum of \$426,000, which sum shall be expended by the district only for purposes of construction and maintenance and to meet yearly current expenses, all as part of its annual budgets as adjudicated by the appropriate court of the State of Wyoming in the manner provided by the applicable laws of that State.

And in lieu thereof to insert:

(a) the United States shall credit the district with the sum of \$426,000 which sum shall be applied toward the payment of the annual construction payments of the district under its contract with the United States dated November 4, 1926, or any amendment thereof, as the same become due for the year 1954 and subsequent years until such credit is exhausted. Until such credit is exhausted the United States consents to the expenditure by the district of money collected by the district, as part of the district's 1954 and subsequent budgets for the purpose of defraying annual construction payments to the United States, for such purposes of construction, reconstruction, rehabilitation, and operation and maintenance as may be approved by the appropriate State court in the manner provided by the applicable laws of the State of Wyoming.

On page 5, after line 22, to strike out:

SEC. 5. There is authorized to be appropriated, out of the reclamation fund, the sum of \$426,000 for the purpose of making payment to the Shoshone Irrigation District in accordance with the provisions of the contract authorized by subsections (a), (b), and (d) of section 1 of this act.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended, so as to read: "An act to credit the Shoshone Irrigation District with a share of the net revenues from the Shoshone powerplant, and for other purposes."

REMOVAL OF CLOUDS ON TITLES OF CERTAIN LANDS IN COLORADO

The bill (H. R. 5620) to remove clouds on the titles of certain lands in Colorado was considered, ordered to a third reading, read the third time, and passed.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 92) favoring the suspension of deportation in the case of certain aliens was considered and agreed to.

(For the text of above concurrent resolution, see CONGRESSIONAL RECORD, Tuesday, June 29, 1954, p. 8751.)

MARIA BUSA

The bill (S. 738) for the relief of Maria Busa was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of section 203 (a) (3) of the Immigration and Nationality Act, Maria Busa shall be held and considered to be the minor child of Giovanni Busa, an alien lawfully admitted to the United States for permanent residence.

GEORGE SCHEER, MAGDA SCHEER, MARIE SCHEER, THOMAS SCHEER, AND JUDITH SCHEER

The bill (S. 2287) for the relief of George Scheer, Magda Scheer, Marie Scheer, Thomas Scheer, and Judith Scheer was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, George Scheer, Magda Scheer, Marie Scheer, Thomas Scheer, and Judith Scheer shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

MADALINE MARGARET SMITH

The bill (S. 2338) for the relief of Madaline Margaret Smith was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Madaline Margaret Smith shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

**DR. MIEN FA TCHOU AND HIS WIFE,
LI HOEI MING TCHOU**

The bill (S. 2363) for the relief of Dr. Mien Fa Tchou and his wife, Li Hoei Ming Tchou, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Mien Fa Tchou and his wife, Li Hoei Ming Tchou, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

**FAUSTINO ACHAVAL ALDECOA AND
HIS WIFE, CARMEN ACHAVAL
(NEE CORTABITARTE)**

The bill (S. 2607) for the relief of Faustino Achaval Aldecoa and his wife, Carmen Achaval (nee Cortabitarte), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Faustino Achaval Aldecoa and his wife, Carmen Achaval (nee Cortabitarte), shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

BONITA LEE SIMPSON

The bill (S. 3145) for the relief of Bonita Lee Simpson was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Bonita Lee Simpson shall be held and considered to be the natural-born alien child of Mr. and Mrs. Lester A. Simpson.

ANDREJA GLUSIC

The bill (S. 3433) for the relief of Andreja Glusic was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 203 (a) (3) and 205 of the Immigration and Nationality Act, Andreja Glusic shall be held and considered to be the minor child of her parents Andrej Glusic and Marica Penca Glusic.

**MRS. OVEIDA MOHRKE AND HER
SON, GERARD MOHRKE**

The bill (S. 3514) for the relief of Mrs. Oveida Mohrke and her son, Gerard Mohrke, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Naturalization Act,

Mrs. Oveida Mohrke and her son, Gerard Mohrke, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available.

MRS. FUNG HWA LIU LEE

The bill (H. R. 1948) for the relief of Mrs. Fung Hwa Liu Lee was considered, ordered to a third reading, read the third time, and passed.

TIBOR HORANYI

The bill (H. R. 2404) for the relief of Tibor Horanyi was considered, ordered a third reading, read the third time, and passed.

ANDOR GELLERT

The bill (H. R. 2406) for the relief of Andor Gellert was considered, ordered to a third reading, read the third time, and passed.

ANNIE LITKE

The bill (H. R. 2427) for the relief of Annie Litke was considered, ordered to a third reading, read the third time, and passed.

DR. JAMES K-THONG YU

The bill (H. R. 2875) for the relief of Dr. James K-Thong Yu was considered, ordered to a third reading, read the third time, and passed.

ELIZABETH JUST MAYER

The bill (H. R. 2907) for the relief of Elizabeth Just Mayer was considered, ordered to a third reading, read the third time, and passed.

SISTER IOLANDA SITA AND OTHERS

The bill (H. R. 3903) for the relief of Sister Iolanda Sita, Sister Guerrina Brioli, Sister Pasqualina Coppari, Sister Anna Urbinati, Sister Ida Raschi, and Sister Elvira P. Mencarelli was considered, ordered to a third reading, read the third time, and passed.

MRS. HELEN KON

The bill (H. R. 4510) for the relief of Mrs. Helen Kon was considered, ordered to a third reading, read the third time, and passed.

GIO BATTÀ PODESTA

The bill (H. R. 4747) for the relief of Gio Batta Podesta was considered, ordered to a third reading, read the third time, and passed.

MARGARETE HOHMANN SPRINGER

The bill (H. R. 5265) for the relief of Margarete Hohmann Springer was considered, ordered to a third reading, read the third time, and passed.

EVA GYORI

The bill (H. R. 5355) for the relief of Eva Gyori was considered, ordered to a third reading, read the third time, and passed.

WALTER KUZNICKI

The bill (H. R. 5684) for the relief of Walter Kuznicki was considered, ordered to a third reading, read the third time, and passed.

MICHAEL K. KAPRIELIAN

The bill (H. R. 5820) for the relief of Michael K. Kaprielyan was considered, ordered to a third reading, read the third time, and passed.

VIKTOR R. KANDLIN

The bill (H. R. 5842) for the relief of Viktor R. Kandlin was considered, ordered to a third reading, read the third time, and passed.

NICK JOSEPH BENI, JR.

The bill (H. R. 6478) for the relief of Nick Joseph Beni, Jr., was considered, ordered to a third reading, read the third time, and passed.

GREGORY HARRY BEZENAR

The bill (H. R. 6636) for the relief of Gregory Harry Bezenar was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 7012) for the relief of Nicole Goldman was announced as next in order.

Mr. SMATHERS. Over.

The PRESIDING OFFICER (Mr. CAPEHART in the chair). The bill will be passed over.

CELEBRATION OF 200TH ANNIVERSARY OF THE BIRTH OF ALEXANDER HAMILTON

The Senate proceeded to consider the joint resolution (S. J. Res. 140) to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

Mr. HENDRICKSON. Mr. President, I send an amendment to the desk, to be incorporated at the appropriate place.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 13, it is proposed to strike the period and insert the words "through the State Department."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey [Mr. HENDRICKSON].

The amendment was agreed to.

The PRESIDING OFFICER. Is there any further amendment to be offered?

Mr. SMATHERS. Mr. President, I offer an amendment on page 2, line 16, to strike out the words, "without regard to the civil service laws or the Classification Act of 1949."

83^D CONGRESS
2^D SESSION

S. 906

IN THE HOUSE OF REPRESENTATIVES

JULY 7, 1954

Referred to the Committee on Interstate and Foreign Commerce

AN ACT

To establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 22 of the Interstate Commerce Act (49
4 U. S. C., sec. 22) is amended (1) by inserting after the
5 section designation the letter “(a)”, and (2) by adding
6 at the end thereof the following:

7 “(b) Notwithstanding any other provision of law, any
8 rates, fares, and charges, and rules, regulations, and practices
9 with respect to the transportation of persons or property for
10 or on behalf of the United States by any common carrier

1 subject to part I, II, III, or IV of this Act, offered, nego-
2 tiated, or established under the provisions hereof by quota-
3 tion or contract when accepted or agreed to by the Secretary
4 of Defense, the Secretary of Agriculture, or the Administra-
5 tor of the General Services Administration, or by any official
6 or employee of the United States to whom either of them
7 may delegate such authority, shall be conclusively presumed
8 to be just, reasonable, and otherwise lawful, and shall not be
9 subject to attack, or reparation, after one hundred and eighty
10 days, or two years in the case of contracts entered into dur-
11 ing a national emergency declared by Congress, after the
12 date of such acceptance or agreement upon any grounds
13 whatsoever except for actual fraud or deceit, or clerical mis-
14 take. Such rates, fares, or charges, and rules, regulations, or
15 practices, may be canceled or terminated upon not less than
16 ninety days' written notice by the United States or by any
17 of the other parties thereto.

18 “(c) Any such rates, fares, or charges, rules, regula-
19 tions, or practices so made and accepted under the provisions
20 hereof shall not be considered to have any bearing upon,
21 or otherwise affect, the justness, reasonableness, or lawfulness
22 of any rates, fares, or charges, or of any rules, regula-
23 tions, or practices with respect to transportation services
24 theretofore performed for, or on behalf of, the United States,
25 nor shall the provisions of this section be construed as any

1 indication that similar rates, fares, or charges or similar
2 rules, regulations, or practices theretofore effective were or
3 were not binding upon or enforceable against the United
4 States.”

Passed the Senate July 6 (legislative day, July 2), 1954.
1954.

Attest:

J. MARK TRICE,

Secretary.

AN ACT

To establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

JULY 7, 1954

Referred to the Committee on Interstate and Foreign
Commerce

ment upon a certain claim of the board of county commissioners of Sedgwick County, Kans.

Postage stamps: H. R. 7326, to impose a maximum \$500 fine and/or 1-year imprisonment upon postmasters or postal service employees who inflate or induce the inflation of the receipts of any post office or any station or branch thereof to increase the emoluments or compensation of the postmaster or any postal employee.

Arson: H. R. 7740, to provide that it shall be a criminal offense to move or travel in interstate commerce with intent to avoid prosecution, or giving testimony, or custody, etc., after conviction for arson.

Civil Service Retirement Act: H. R. 7785, to make permanent the increases in regular annuities under the Civil Service Retirement Act which were granted by Public Law 555 (82d Cong.), and extend such increases to additional annuities purchased by voluntary contributions.

Milk River project: H. R. 7813, to authorize the Secretary of the Interior to adjust or cancel any charges which have accrued, or which will hereafter accrue, under public notice No. 5, Milk River project, Montana.

Riparian landowners: H. R. 8006, to safeguard the rights of riparian landowners in Wisconsin whose title to property has been brought into question by reason of errors in the original survey and grant.

Sons of Union Veterans: H. R. 8034, to incorporate the Sons of Union Veterans of the Civil War.

Alaska: H. R. 8666, to authorize the Territory of Alaska to incur indebtedness for public improvements.

Indians: H. R. 8897, to direct the Secretary of the Interior to transfer 40 acres of land in the Northern Cheyenne Indian Reservation, Mont., to School District No. 6, Rosebud County, Mont. (reserving, however, to such tribe all mineral rights, including gas and oil).

Public land conveyance: H. R. 9194, to provide for the conveyance of certain land owned by the Federal Government near Vicksburg, Miss., to Vicksburg, Miss.

Panama Canal Company: H. R. 9397, to authorize the Secretary of the Treasury to transfer certain property to the Panama Canal Company.

Alaska: H. R. 9582, to provide for the transfer of excess property to the Territorial government of Alaska.

Irrigation: H. R. 9630, to authorize the Secretary of the Interior to execute an amendatory contract with the Black Canyon Irrigation District, Idaho.

Menominee Indians: H. R. 9821, to provide for orderly termination of Federal supervision over the property and members of the Menominee Indian Tribe of Wisconsin.

Passenger ships: H. R. 9868, to amend the Merchant Ship Sales Act of 1946 to provide for the charter of passenger ships in the domestic trade.

Annuity forfeitures: H. R. 9909, to prohibit payment of annuities to Federal officers and employees convicted of certain crimes.

Passed over without prejudice: S. 3233, 3245; H. R. 2305, 3660, 4319, 6427, 7712, 7851, 8900, and 9981.

Objected to: H. R. 4770, and 9866. Pages 12380-12415

Water Conservation: Agreed to Senate amendments to House amendments to S. 3137, extending to the entire U. S. certain provisions of an act of 1937 relating to conservation of water resources, thus clearing the bill for Presidential action. Pages 12415-12416

Merchant Vessel Modernization: Insisted on its amendments to S. 3546, to provide an immediate program for the modernization and improvement of such merchant-type vessels in the reserve fleet as are necessary for national defense; agreed to a conference requested by the Senate; and appointed as conferees Representatives Tollefson, Allen of California, Ray, Bonner, and Shelley. Page 12416

Suspension Passages: The consideration of legislation under suspension of the rules was in order and the House voted to suspend the rules and pass the following bills:

Federal group life insurance: S. 3681, authorizing the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal service.

Deschutes irrigation project: S. 2864, to approve an amendatory repayment contract negotiated with the North Unit Irrigation District, and to authorize construction of Haystack Reservoir on the Deschutes Federal reclamation project.

Sioux Indians: H. R. 2233, to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Cheyenne River Sioux Reservation, S. Dak., with an amendment.

Federal reclamation laws: H. R. 5301, to amend and supplement the reclamation laws to provide for Federal cooperation in non-Federal projects, with an amendment.

Reclamation projects: H. R. 9981, to provide for the construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies, with an amendment.

Michaud Flats project: H. R. 5499, relating to Federal authorization of construction, maintenance, and operation of Michaud Flats project for irrigation in the State of Idaho, with an amendment.

Corn sales: H. J. Res. 563, relating to corn sales by the Commodity Credit Corporation, with an amendment.

Copyrights: H. R. 6616, to amend title 17 of the U. S. Code, entitled "Copyrights."

Pages 12421-12442, 12446-12448

Foreign Service: Considered H. R. 9910, to amend the Foreign Service Act so as to encourage entry into the Service by State Department and civil-service personnel and reserve and staff officers, under a motion to suspend

the rules and pass the bill but deferred the vote on passage until Wednesday.

Pages 12416-12421

Suspensions: By a unanimous-consent request the consideration of legislation under suspension of the rules was made in order on Wednesday, and it was announced that S. 16, to amend the immunity provision (sec. 3486 of the U. S. Code), relating to testimony given by witnesses before either House of Congress or its committees, and H. R. 4975, to prescribe a method by which the Houses of Congress and their committees may invoke the aid of the courts in compelling the testimony of witnesses, would be considered.

Page 12442

Program for Wednesday: Adjourned at 4:26 p. m. until Wednesday, August 4, at 12 o'clock noon, when the House will vote on suspending the rules and passing H. R. 9910, amending the Foreign Service Act; call the Private Calendar; consider S. 16, witness immunity bill, and H. R. 4975, to prescribe a method by which the Houses of Congress and their committees may invoke the aid of courts in compelling the testimony of witnesses, under suspension of the rules; also may consider—

S. 541, War Claims Act benefits;

S. 2420, to amend section 32 of the Trading With the Enemy Act;

H. Res. 549, creates select committee to study benefits provided surviving dependents of deceased members and former members of the Armed Forces.

Committee Meetings

CORN SALES

Committee on Agriculture: The committee met in open session to continue hearing departmental officials in connection with H. J. Res. 563, relating to corn sales by the Commodity Credit Corporation. Those appearing again today were Edward Shulman, Office of the Solicitor; and Preston Richards and Marvin L. McLain, both of the Commodity Stabilization Service.

A letter was submitted to the members of the committee signed by J. Earl Coke, Assistant Secretary of Agriculture, recommending an amendment to the resolution.

The committee afterward met in executive session and reported out H. J. Res. 563, amended in accordance with the suggestion of the Department of Agriculture.

Adjourned subject to call of the Chair.

ANTIRACKETEERING

Committee on Government Operations: The Antiracketeering Subcommittee continued its public hearings on the operations of District Council No. 51 of the Brotherhood of Painters, Decorators, and Paperhangers (AFL) and received further testimony from Robert Lowry and A. B. Moore. Also heard A. E. Singelis and E. A. Singelis of the Singelis Paint Co. of Philadelphia; Roy Cowan, Reece A. Connor, Percy

Baumgardner, William T. Kruse, Doak Pythian, Ernest Barnes, Albert Grinder, Willis L. Mangrum, Jesse A. Fling, Harry O. Bowles, Robert E. Minte, Michael Restuccio, and Jerry Cellilo. The subcommittee will continue on the same subject at 10 a. m. tomorrow.

RECLAMATION—PUBLIC LANDS

Committee on Interior and Insular Affairs: In executive session the committee ordered the following bills reported to the House—

S. 118, amended, authorizing construction, operation, and maintenance of Washita River Basin reclamation project, Oklahoma;

H. R. 9790, amended, to amend the act of June 30, 1948, so as to extend for 5 additional years the authority of the Secretary of the Interior to issue patents for certain public lands in Monroe County, Mich., held under color of title;

H. R. 8859, directs the Secretary of the Interior to convey by quitclaim deed to the city of Pawnee, Okla., all of the right, title, and interest of the United States in and to the tract of land in Pawnee County, Okla., known as Mission Park; and

H. R. 10074, to authorize the replacement of certain Government-owned utility facilities at Glacier National Park, Mont., and Grand Canyon National Park, Ariz.

Also adopted a committee resolution approving the finding of the Secretary of Interior re expenditure of rehabilitation and betterment funds on the Orland project, California.

FLAMMABLE FABRICS—CARRIER CONTRACTS

Committee on Interstate and Foreign Commerce: Met in executive session and ordered the following bills reported to the House—

S. 906, to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act; and

S. 3379, amended, to exempt from the Flammable Fabrics Act certain fabrics which are not highly flammable.

CONGRESSIONAL WITNESS IMMUNITY

Committee on the Judiciary: Ordered 6 private claims bills (5 of the House and 1 of the Senate) favorably reported to the House.

Eleven private immigration bills (2 of the House and 9 of the Senate) were also ordered favorably reported.

A clean bill will be introduced and favorably reported to the House in lieu of H. R. 398, to provide for representation of indigent defendants in criminal cases in U. S. district courts.

The committee voted to table S. J. Res. 44, H. J. Res. 27, 91, and 194, resolutions pertaining to proposed constitutional amendments relating to composition and jurisdiction of the Supreme Court.

AMENDING SECTION 22 OF THE INTERSTATE COMMERCE ACT
TO ESTABLISH THE FINALITY OF CONTRACTS BETWEEN THE
GOVERNMENT AND COMMON CARRIERS OF PASSENGERS AND
FREIGHT

AUGUST 5, 1954.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. WOLVERTON, from the Committee on Interstate and Foreign
Commerce, submitted the following

REPORT

[To accompany S. 906]

The Committee on Interstate and Foreign Commerce, to whom
was referred the bill (S. 906) to establish the finality of contracts
between the Government and common carriers of passengers and
freight subject to the Interstate Commerce Act, having considered
the same, report favorably thereon without amendment and recom-
mend that the bill do pass.

Section 22 of the Interstate Commerce Act permits railroads,
motor carriers, water carriers, and freight forwarders subject to that
act to transport property and passengers for the United States Gov-
ernment free or at rates which are below the regular published rates
which govern the transportation of passengers and property for the
general public. The carriers are not required by law to furnish such
transportation free or at reduced rates, but may do so if they wish to.

Reduced rates so made available to the Government are deter-
mined by negotiation between officials of the Government and officers
of the carriers involved.

For many years, rate agreements so made were generally regarded
as contracts binding on both the Government and the carriers.

However, in a series of complaints filed with the Interstate Com-
merce Commission by the Department of Justice following World
War II, the Government has taken the position that it has the right
to reopen agreements of this character and, when deemed appro-
priate, seek to recover a part of the payments made on the grounds
that the original negotiated rates were unreasonably high. These
cases are still pending before the Commission.

The bill adds to section 22 two new subsections the purpose of which
is to provide that in the case of rates agreed upon, under section 22,

between any carrier subject to the Interstate Commerce Act and the Secretary of Defense, the Secretary of Agriculture, or the Administrator of General Services (or any official or employee of the United States to whom they may delegate such authority), such rates (1) shall be conclusively presumed to be just, reasonable, and otherwise lawful, and (2) shall not be subject to attack or reparation, after 180 days (or 2 years in case of contracts entered into during a national emergency declared by Congress) after the date of acceptance or agreement by the Federal official involved, upon any ground except for actual fraud or deceit, or clerical mistake.

Other features of the new subsections are as follows:

(1) They would prevent consideration of reduced rates so agreed upon as evidence of unreasonableness of other rates.

(2) They provide that rates to which they apply may be canceled or terminated upon not less than 90 days' written notice by the United States or by any of the other parties thereto.

(3) It is provided, in effect, that the new subsections shall have no effect on transactions other than those carried out under their terms, and that the outcome of the pending litigation, above referred to, shall not be affected by the enactment of this legislation.

There are sound reasons why rate agreements between the Government and carriers, negotiated under section 22, should have finality so that they will not be subject to being reopened by the Government through reparation proceedings.

Such agreements are voluntarily entered into by the parties, with full knowledge of their terms. The rates charged under such agreements are usually below the published rates available to shippers generally. Since the latter rates are available to the Government if it chooses to use them, it may be assumed that Government officials do not negotiate for reduced rates under section 22 unless there is an advantage to the Government in doing so. The principle written into this bill is that the Government should not be permitted to seek recovery of amounts paid under rate agreements which its authorized agents have voluntarily entered into and which are binding upon the carriers involved.

The situation as it presently exists makes for uncertainty and confusion, involving time-consuming and expensive litigation. If the Interstate Commerce Commission were called upon to hear and determine an increasing number of reparation cases of this type, this extra burden of work could seriously interfere with the performance by the Commission of its many other duties and responsibilities.

Special attention is called to the fact that this legislation will not prevent an agreement being attacked on the ground of actual fraud or deceit, or clerical mistake. Furthermore, there will be a period at the beginning of the operation of any such contract when it could be renegotiated or made the subject of a complaint for reparation. This period is 180 days in the ordinary case, and 2 years in the case of a contract entered into during a national emergency declared by Congress.

The Interstate Commerce Commission, through its Committee on Legislation and Rules, has expressed its approval of this legislation, as will appear from the letter printed below. It is to be noted that in its annual report for 1953 the Commission recommended enactment of legislation of this character.

INTERSTATE COMMERCE COMMISSION,
Washington, July 16, 1954.

HON. CHARLES A. WOLVERTON,
*Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D. C.*

DEAR CHAIRMAN WOLVERTON: Your letter of July 9, 1954, requesting a report and comment on S. 906, to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act, has been referred to our Committee on Legislation and Rules. After careful consideration by that committee, I am authorized to submit the following comments in its behalf:

In our annual report for 1953, page 147, we made the following recommendation:

"8. We recommend that section 22 be amended so as to enable the United States and the carriers to bargain as to rates on a firm and dependable basis."

Section 22, which this bill would amend, at present provides in part "that nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States, * * *." Section 22, so far as it applies to Government traffic, has been in the act substantially as it now stands since 1887. A slight change was made in 1889, and other subjects have been added to the section since that time. At the time the original act was passed, the Government was a comparatively small shipper and small user of the passenger facilities of the carrier. In recent years, however, Government use of freight and passenger facilities has increased enormously. During World War II, and the same is probably true today, the Government was by far the largest single shipper of freight and the largest user of passenger service in the United States.

For many years the Government also had the benefit of land-grant rates, which undoubtedly limited the use of section 22. The section was utilized, however, by many carriers forming competitive routes in order to meet the rates available to the Government under the land-grant privileges. With the repeal of the land-grant statute in 1945, section 22 became the main vehicle through which special rates are obtained by the Government.

At one time section 22 quotations were regarded as contracts binding on both the carriers and the Government, but in recent years the Government has taken the position that by utilizing the rates so established it was not barred from later undertaking to obtain still lower charges as a result of orders of the Interstate Commerce Commission entered after the filing and hearing of complaints by the Government. At present, several such complaints, commonly known as the Government reparation cases, are still pending before the Commission. In some of those complaints, the Government contends that the railroads should have published reduced commercial rates, i. e., available to all shippers, which with the so-called land-grant deductions would have produced lower charges than the section 22 quotations.

The repeal of the land-grant statute will tend to prevent the recurrence of situations such as those to which the Government reparation cases are, to a considerable extent, attributable. It is understood, however, that this bill is intended as a further preventive measure. In S. 906, it is proposed that after the quotation or contract has been accepted or agreed to by the Secretary of Defense, the Secretary of Agriculture, the Administrator of the General Services Administration, or by any official or employee of the United States to whom they may delegate such authority, the rate so established shall be conclusively presumed to be just, reasonable, and otherwise lawful and shall not be subject to attack or reparation, "after one hundred and eighty days, or two years in the case of contracts entered into during a national emergency declared by Congress," after the date of such acceptance or agreement upon any grounds whatsoever except for actual fraud or deceit, or clerical mistake. The bill would also prevent consideration of the reduced rates as evidence of unreasonableness of other rates. It is also provided that the new provisions would have no effect on transactions other than those carried out under its terms.

Several changes have been made in the wording since the bill was introduced. Originally, the bill was to apply to rates with respect to transportation "by any common carrier or freight forwarder subject to part I, II, III, or IV of the Act." On the floor of the Senate the words "or freight forwarder" were stricken from the above-quoted provision, but it was made clear that freight forwarders were intended to be included within the term "common carriers."

As originally introduced, section 22 rates were not to be subject to attack after their acceptance, except for fraud, deceit, or clerical mistake. As passed

by the Senate, there is provided a period of "one hundred and eighty days, or two years in the case of contracts entered into during a national emergency declared by Congress," during which such contracts could be renegotiated or, presumably, made the subject of a complaint for reparation. Although our original recommendation was to make such agreements binding as of the date of acceptance, there are good arguments for a short period during which such contracts could be reexamined, and we would not object to such a provision.

The purpose of S. 906 obviously is to enable the Government and the carriers to bargain as to such rates on a more firm and dependable basis. That purpose to us seems eminently sound and we accordingly recommend that the bill be enacted.

Respectfully submitted

CHARLES D. MAHAFFIE,
Acting Chairman, Committee on Legislation and Rules.
HOWARD G. FREAS.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as passed by the Senate, are shown as follows (new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 22 OF THE INTERSTATE COMMERCE ACT, AS AMENDED

RESTRICTIONS

* SEC. 22. (a) That nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States, State, or municipal governments, or for charitable purposes, or to or from fairs and expositions for exhibition thereat, or the free carriage of destitute and homeless persons transported by charitable societies, and the necessary agents employed in such transportation, or the transportation of persons for the United States Government free or at reduced rates, or the issuance of mileage, excursion, or commutation passenger tickets; nothing in this part shall be construed to prohibit any common carrier from giving reduced rates to ministers of religion, or to municipal governments for the transportation of indigent persons, or to inmates of the National Homes or State Homes for Disabled Volunteer Soldiers and of Soldiers' and Sailors' Orphan Homes, including those about to enter and those returning home after discharge, under arrangements with the boards of managers of said homes; nothing in this part shall be construed to prohibit any common carrier from establishing by publication and filing in the manner prescribed in section 6 reduced fares for application to the transportation of (a) personnel of United States armed services or of foreign armed services, when such persons are traveling at their own expense, in uniform of those services, and while on official leave, furlough, or pass; or (b) persons discharged, retired, or released from United States armed services within thirty days prior to the commencement of such transportation and traveling at their own expense to their homes or other prospective places of abode; nothing in this part shall be construed to prevent railroads from giving free carriage to their own officers and employees, or to prevent the free carriage, storage, or handling by a carrier of the household goods and other personal effects of its own officers or employees when such goods and effects must necessarily be moved from one place to another as a result of a change in the place of employment of such officers or employees while in the service of the carrier, or to prevent the principal officers of any railroad company or companies from exchanging passes or tickets with other railroad companies for their officers and employees; and nothing in this part contained shall in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this part are in addition to such remedies; nothing in this part shall be construed to prohibit any common carrier from carrying any totally blind person accompanied by a guide or seeing-eye dog or other guide dog specially trained and educated for that purpose at the usual and ordinary fare charged to one person, under such reasonable regulations as may have been established by the carrier: *Provided*, That no pending litigation shall in any way be affected by this part: *Provided further*, That nothing in this part shall prevent the issuance of joint interchangeable five-thousand-mile tickets, with special privileges as to the amount of free baggage that may be carried under

mileage tickets of one thousand or more miles. But before any common carrier, subject to the provisions of this part, shall issue any such joint interchangeable mileage tickets with special privileges, as aforesaid, it shall file with the Interstate Commerce Commission copies of the joint tariffs of rates, fares, or charges on which such joint interchangeable mileage tickets are to be based, together with specifications of the amount of free baggage permitted to be carried under such tickets, in the same manner as common carriers are required to do with regard to other joint rates by section 6 of this part; and all the provisions of said section 6 relating to joint rates, fares, and charges shall be observed by said common carriers and enforced by the Interstate Commerce Commission as fully with regard to such joint interchangeable mileage tickets as with regard to other joint rates, fares, and charges referred to in said section 6. It shall be unlawful for any common carrier that has issued or authorized to be issued any such joint interchangeable mileage tickets to demand, collect, or receive from any person or persons a greater or less compensation for transportation of persons or baggage under such joint interchangeable mileage tickets than that required by the rate, fare, or charge specified in the copies of the joint tariff of rates, fares, or charges filed with the Commission in force at the time. The provisions of section 10 of this part shall apply to any violation of the requirements of this proviso. Nothing in this part shall prevent any carrier or carriers subject to this part from giving reduced rates for the transportation of property to or from any section of the country with the object of providing relief in case of earthquake, flood, fire, famine, drought, epidemic, pestilence, or other calamitous visitation or disaster, if such reduced rates have first been authorized by order of the Commission (with or without a hearing); but in any such order the Commission shall (1) define such section, (2) specify the period during which such reduced rates are to remain in effect, and (3) clearly define the class or classes of persons entitled to such reduced rates: *Provided*, That any such order may define the class or classes entitled to such reduced rates as being persons designated as being in distress and in need of relief by agents of the United States or any State authorized to assist in relieving the distress caused by any such calamitous visitation or disaster. No carrier subject to the provisions of this part shall be deemed to have violated the provisions of such part with respect to undue or unreasonable preference or unjust discrimination by reason of the fact that such carrier extends such reduced rates only to the class or classes of persons defined in the order of the Commission authorizing such reduced rates.

(b) *Notwithstanding any other provision of law, any rates, fares, and charges, and rules, regulations, and practices with respect to the transportation of persons or property for or on behalf of the United States by any common carrier subject to part I, II, III, or IV of this Act, offered, negotiated, or established under the provisions hereof by quotation or contract when accepted or agreed to by the Secretary of Defense, the Secretary of Agriculture, or the Administrator of the General Services Administration, or by any official or employee of the United States to whom either of them may delegate such authority, shall be conclusively presumed to be just, reasonable, and otherwise lawful, and shall not be subject to attack, or reparation, after one hundred and eighty days, or two years in the case of contracts entered into during a national emergency declared by Congress, after the date of such acceptance or agreement upon any grounds whatsoever except for actual fraud or deceit, or clerical mistake. Such rates, fares, or charges, and rules, regulations, or practices, may be canceled or terminated upon not less than ninety days' written notice by the United States or by any of the other parties thereto.*

(c) *Any such rates, fares, or charges, rules, regulations, or practices so made and accepted under the provisions hereof shall not be considered to have any bearing upon, or otherwise affect, the justness, reasonableness, or lawfulness of any rates, fares, or charges, or of any rules, regulations, or practices with respect to transportation services theretofore performed for, or on behalf of, the United States, nor shall the provisions of this section be construed as any indication that similar rates, fares, or charges or similar rules, regulations, or practices theretofore effective were or were not binding upon or enforceable against the United States.*

Union Calendar No. 901

83^D CONGRESS
2^D SESSION

S. 906

[Report No. 2629]

IN THE HOUSE OF REPRESENTATIVES

JULY 7, 1954

Referred to the Committee on Interstate and Foreign Commerce

AUGUST 5, 1954

Committed to the Committee of the Whole House on the State of the Union
and ordered to be printed

AN ACT

To establish the finality of contracts between the Government
and common carriers of passengers and freight subject to the
Interstate Commerce Act.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 22 of the Interstate Commerce Act (49
4 U. S. C., sec. 22) is amended (1) by inserting after
5 the section designation the letter “(a)”, and (2) by adding
6 at the end thereof the following:

7 “(b) Notwithstanding any other provision of law, any
8 rates, fares, and charges, and rules, regulations, and practices
9 with respect to the transportation of persons or property for
10 or on behalf of the United States by any common carrier

1 subject to part I, II, III, or IV of this Act, offered, nego-
2 tiated, or established under the provisions hereof by quota-
3 tion or contract when accepted or agreed to by the Secretary
4 of Defense, the Secretary of Agriculture, or the Administra-
5 tor of the General Services Administration, or by any official
6 or employee of the United States to whom either of them
7 may delegate such authority, shall be conclusively presumed
8 to be just, reasonable, and otherwise lawful, and shall not be
9 subject to attack, or reparation, after one hundred and eighty
10 days, or two years in the case of contracts entered into dur-
11 ing a national emergency declared by Congress, after the
12 date of such acceptance or agreement upon any grounds
13 whatsoever except for actual fraud or deceit, or clerical mis-
14 take. Such rates, fares, or charges, and rules, regulations, or
15 practices, may be canceled or terminated upon not less than
16 ninety days' written notice by the United States or by any
17 of the other parties thereto.

18 “(c) Any such rates, fares, or charges, rules, regula-
19 tions, or practices so made and accepted under the provisions
20 hereof shall not be considered to have any bearing upon,
21 or otherwise affect, the justness, reasonableness, or lawfulness
22 of any rates, fares, or charges, or of any rules, regula-
23 tions, or practices with respect to transportation services
24 theretofore performed for, or on behalf of, the United States,
25 nor shall the provisions of this section be construed as any

1 indication that similar rates, fares, or charges or similar
2 rules, regulations, or practices theretofore effective were or
3 were not binding upon or enforceable against the United
4 States.”

Passed the Senate July 6 (legislative day, July 2),
1954.

Attest:

J. MARK TRICE,

Secretary.

AN ACT

To establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

JULY 7, 1954

Referred to the Committee on Interstate and Foreign
Commerce

AUGUST 5, 1954

Committed to the Committee of the Whole House on
the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 13, 1954
For actions of August 12, 1954
83rd-2nd, No. 156

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HIGHLIGHTS: Senate agreed to conference report on mutual security authorization bill. Senate passed bills authorizing GSA motor vehicle pools, etc., Mexican boundary fence, and customs simplification. Senate committee reported bill to authorize Interior loans to privately-owned reclamation projects. Sen. Watkins praised Senate passage of farm program bill. Sen. Humphrey spoke in favor of corn carry over and allowing farmers to elect fellow farmers on ASC committees. House passed bill to give Federal retirement credit for certain State service. Conferees were granted permission to file, by midnight Saturday, farm program conference report.

HOUSE

1. FARM PROGRAM. The conferees were granted permission to file, by midnight Saturday, the conference report on H. R. 9680, the farm program bill (p. 13518).
2. PERSONNEL. Passed without amendment H. R. 1553, to amend the Civil Service Retirement Act so as to provide for inclusion in the computation of accredited service of certain service rendered States in connection with Federal-State extension, experiment station, forest and watershed protection, plant-pest and animal-disease control, and vocational education programs, and the rural-relief program carried out by the State Rural Rehabilitation Corporations (pp. 13505-6).
Passed without amendment H. R. 9586, to amend the Civil Service Retirement Act so as to limit annuities to employees with 1 year of civilian service in the 2-year period immediately preceding separation (p. 13505).
3. RECLAMATION. Discussed and passed over S. 1118, to authorize the Washita River Basin project, Okla. (pp. 13505, 13513).
4. EDUCATION. Concurred in Senate amendment to H. R. 1797, to provide for conveyance by the Interior Department of a tract of land to the Okla. A&M College (p. 13510). This bill will now be sent to the President.
5. VIRGIN ISLANDS. Passed over H. R. 10077, to restore the USDA animal-poultry inspection authority, regarding imports into the Virgin Islands, on a modified

basis (p. 13505).

6. TRANSPORTATION. Discussed and passed over S. 906, to establish the finality of contracts between the Government and common carriers of passengers and and freight subject to the Interstate Commerce Act (pp. 13502-5).
7. FARM PRICES. Rep. Brooks, La., urged an investigation into the fact that "prices of agricultural commodities are falling without a compensating fall in the prices of these same commodities to the consumer" (p. 13519).
8. STATEHOOD. Mrs. Farrington spoke urging statehood for Hawaii (p. 13518).
9. ADJOURNED until Mon., Aug. 16 (pp. 13518, 13530).

SENATE

10. FOREIGN AID; SURPLUS COMMODITIES. Agreed to the conference report on H. R. 9678, the mutual security authorization bill (pp. 13621-2). This bill will now be sent to the President.
11. FARM LOANS. Concurred in the House amendments to S. 3487; to authorize the Central Bank for Cooperatives and the regional banks for cooperatives to issue consolidated debentures (p. 13587).
12. VEHICLES. Passed as reported H. R. 8753, to authorize GSA to establish and operate motor pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct the GSA to report the unauthorized use of Government motor vehicles, and to authorize CSC to regulate operators of Government motor vehicles (p. 13601).
13. MEXICAN FENCE. Passed without amendment S. 114, authorizing appropriations for construction, operation, and maintenance of the Mexican western land boundary fence project (pp. 13610-1).
14. CUSTOMS SIMPLIFICATION. Passed as reported H. R. 10009, to provide for review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs law, etc. (pp. 13612-4).
15. FARM PROGRAM. Sen. Watkins praised Senate passage of H. R. 9680, the farm program bill, and congratulated Secretary Benson for the "statesmanlike manner" in which he presented to the American public the case for a flexible price-support program (p. 13533).
Sen. Aiken inserted two newspaper editorials commending passage of the farm program bill (pp. 13532-3).
16. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 5301; to authorize Interior Department loans to privately owned reclamation projects (S. Rept. 2472) (p. 13531).
The Interior and Insular Affairs Committee reported with amendments H. R. 9981, to provide for construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies (S. Rept. 2476) (p. 13531).

bridge and its approaches under economical management and to provide a fund sufficient to pay the principal, interest, and redemption premium, if any, of such toll bridge revenue refunding bonds, or of said outstanding bonds, as soon as possible under reasonable charges, but within a period of not exceeding 30 years from the date of approval of this act, and such tolls shall be continued until such payments shall have been made. After such bonds and the interest thereon shall have been paid, said bridge shall thereafter be maintained and operated free of tolls. An accurate record of the expenditures for maintaining, repairing, and operating said bridge, and of the daily tolls collected, shall be available for the information of all persons interested.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPENSATION OF CHAIRMAN OF COUNCIL OF ECONOMIC ADVISORS

The Clerk called the bill (H. R. 6790) to amend the act of October 15, 1949, with respect to the rate of compensation of the Chairman of the Council of Economic Advisors.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to increase rates of compensation of the heads and assistant heads of executive departments and independent agencies," approved October 15, 1949 (Public Law 359, 81st Cong.; 63 Stat. 880), is amended by inserting "the Chairman of the Council of Economic Advisors," immediately after "the Administrator of General Services."

SEC. 2. Section 4 of such act of October 15, 1949, is amended by striking out "members of the Council of Economic Advisors" and inserting in lieu thereof "members (other than the Chairman) of the Council of Economic Advisors."

SEC. 3. The incumbent Chairman of the Council of Economic Advisors on the effective date of this act may, if he so elects, continue to receive compensation under section 4 of such act of October 15, 1949, for such period as he may determine.

SEC. 4. This act shall take effect on the first day of the first pay period which begins after the date of enactment of this act.

With the following committee amendments:

Page 2, line 5, strike out section 3.

Page 2, line 10, strike out "4" and insert "3."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMEND SECTIONS 5 (A) OF THE FEDERAL TRADE COMMISSION ACT

The Clerk called the bill (H. R. 9916) to amend section 5 (a) of the Federal Trade Commission Act with respect to certain unfair methods of competition in connection with the sale of manufactured products.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CELLER. Mr. Speaker, reserving the right to object, will the proponents of the bill give us an explanation? I object, Mr. Speaker.

AMEND THE FEDERAL TRADE COMMISSION ACT

The Clerk called the bill (H. R. 9917) to amend section 5 (a) of the Federal Trade Commission Act with respect to certain unfair methods of competition in connection with the sale of motor vehicles.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

(Mr. OAKMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. OAKMAN. Mr. Speaker, first, the proposed amendments have not received sufficient study. Neither the automobile manufacturers nor the manufacturers of other products were invited to attend the hearings, and no manufacturer appeared. The proposed amendments could have far-reaching effects on manufacturers and whole industries. Such legislation should not be passed until they have been heard and their views given appropriate consideration. The methods for charging freight currently in use in the automotive industry have been in use for more than 30 years.

Second. The proposed amendments are ambiguous. It is not at all clear from the bills whether inbound freight to assembly plants, warehouses and depots may be included in charges for freight by manufacturers to customers. If inbound freight cannot be so included, multiplant manufacturers or manufacturers with branch warehouses or depots will be penalized, while their dealers or customers in outlying areas will receive a windfall which will give them a competitive advantage over customers of single-plant manufacturers.

Third. The proposed bills have not been given study to determine their effect on industry. More specifically, in the case of H. R. 9917, no study has been given to the effect of the bill on the smaller motor-vehicle producers who have no branch assembly plant, and on their dealers. Current pricing methods are believed to permit single-plant producers to compete with multiplant producers in outlying areas. Reduction of prices in outlying areas by those producers having branch assembly plants in such areas would injure substantially the competitive position of the smaller, single-plant car and truck manufacturers.

Fourth. H. R. 9917 is unworkable in the automobile industry. In order that prices to dealers be fair as between and among dealers in a particular line of vehicles, there must be "blending" of prices at many points. Moreover, when a multiplant manufacturer ships cars to a dealer from several different assembly plants, it is necessary for the manufac-

turer to adjust its prices so that the price for the same model car to the same dealer is the same, even though the cars are shipped from different plants. Both of these practices are permissible under existing law because they have no substantial, adverse effect on competition. Both would be outlawed by H. R. 9917.

Fifth. The present practices of charging for freight in the automotive industry are not the primary cause of bootlegging. As was pointed out by representatives of the NADA at the hearings, bootlegging is a practice which takes place in low-freight areas as well as high-freight areas. A change in the present practice of freight charges in the automotive industry would not stamp out bootlegging, which presently is the principal subject of concern to the NADA. The NADA has strongly endorsed H. R. 9769, which is directed specifically to the bootlegging problem. Most of the testimony in the hearings was related to that bill, and was not designed to bring out the facts relevant to H. R. 9916 and H. R. 9917. No facts have been developed as to the extent, if any, to which so-called phantom freight may exist in the automotive industry.

Sixth. The committee report compares rail freight rates with the costs of caravanning. This is not a fair comparison. Caravanning is not licensed by the Interstate Commerce Commission whereas freight rates are set by the ICC. This purported comparison emphasizes the lack of study given to the proposed bill. There are no data at all as to actual costs of the manufacturers.

Seventh. The Federal Trade Commission has taken a position in opposition to the bills. No reference to this is made in the committee report.

AMEND ACT OF JUNE 30, 1948

The Clerk called the bill (H. R. 9790) to amend the act of June 30, 1948, so as to extend for 5 additional years the authority of the Secretary of the Interior to issue patents for certain public lands in Monroe County, Mich., held under color of title.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REPLACEMENT OF GOVERNMENT-OWNED FACILITIES AT GLACIER NATIONAL PARK

The Clerk called the bill (H. R. 10074) to authorize the replacement of certain Government-owned utility facilities at Glacier National Park, Mont., and Grand Canyon National Park, Ariz.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purpose of facilitating the installation of adequate electric and communication facilities at Glacier National Park and Grand Canyon National Park, the Secretary of the Interior is

authorized to exchange, on an equal value basis, the existing inadequate facilities at these parks for more modern and efficient facilities.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INVESTIGATION BY THE ATTORNEY GENERAL OF CERTAIN OFFENSES

The Clerk called the bill (S. 2308) to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MULTER. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

(Mr. JAVITS asked and was given permission to extend his remarks in the RECORD at this point.)

OFFICE OF GOVERNMENT INVESTIGATION

Mr. JAVITS. Mr. Speaker, H. R. 6898 which I introduced on January 6, 1954, to establish an Office of Government Investigation within the General Accounting Office seeks to attain the same result as S. 2308 by what I consider to be a much more effective method and without incurring the dangers of S. 2308. Under my bill the Office of Government Investigation would be responsible to the Congress and would be established as part of the Comptroller General's Department. It would be a permanent agency to investigate corruption and unethical acts relating to the transaction of the business of the Federal Government. This new agency should go far to build into the structure of the Government the machinery which has been built into the structure of the government of New York State and New York City for a year-round and constant review of the actions of Government officials and Government employees bearing both on their integrity and ethics. The responsibilities of the Comptroller General in his authority over books and accounts is limited essentially to the audit function and to the propriety of paying out money under applicable law while the activities of the office which I recommend could be coordinated with the other responsibilities of the Comptroller General and under his general authority while carrying out a function which the history of government shows to be vital.

The office created by my bill is to be headed by a Commissioner of Investigation and by a Deputy Commissioner, both appointed by the President with the advice and consent of the Senate, for a single stated term of 10 years, but neither of these officials may be removed sooner except by joint resolution of Congress or impeachment. The Commissioner is given the power to subpoena witnesses and records, subject to court review and upon the consent of the United States attorney and the United States district court in the jurisdiction where an investigation is being conducted, the power to grant immunity to a witness required to testify in such investigation. All departments, agencies, and establishments of the executive department including law enforcement officials are required

to furnish to the Commissioner such information as he may require to carry out his duties.

The Commissioner, according to my bill, may undertake studies and make recommendations for the correction and prevention of improper, illegal, or unethical acts relating to the transaction of the official business of the Federal Government by any such officer or employee. He is required, through the Comptroller General, to make to the President when requested by him and to the Congress at the beginning of each regular session a report in writing of the work of the Office of Government Investigation containing recommendations concerning the legislation he may deem necessary for the prevention of improper and illegal acts relating to the transaction of the official business of the Federal Government by such officers and employees.

It will be noted that the bill does not give the Commissioner of Investigation power to investigate Members of Congress or the judiciary. This is necessary in order to maintain the integrity of three great branches of the Federal Government. The investigatory powers of the Congress and the normal processes of the courts as well as the frequently recurring elections can deal effectively with wrongdoing in the legislative branch and the congressional power to impeach Federal judges are adequate to deal with wrongdoing in the judiciary.

I think that H. R. 6898 is very desirable legislation and hope it will receive attention in the next Congress.

TO ESTABLISH FINALITY OF CONTRACTS BETWEEN GOVERNMENT AND COMMON CARRIERS

The Clerk called the bill (S. 906) to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HESELTON. Mr. Speaker, reserving the right to object, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, the information I have received, particularly through the departmental reports, as to S. 906 leaves a very real doubt in my mind as to whether it should pass in its present form. However, I am impressed with the argument that common carriers should be able to count on some definite period of finality with reference to the rate agreements involved and I do not feel justified in opposing the present consideration of the bill particularly in view of the almost complete support of it by my other colleagues on the committee, whose opinions I respect thoroughly.

If it were not for the situation now confronting the House, I would be inclined to attempt to carry out the recommendations of the Comptroller General that the 180-day period be extended

to 1 year and the 2-year period be extended to 3 years.

I do have in mind that experience can be gained under this bill if it becomes law which may well warrant further consideration of the matter and some possible amendments being considered in the next session.

Therefore, and since the letters are not included in the committee report, I am including these letters at this point:

OFFICE OF THE ASSISTANT

SECRETARY OF DEFENSE,

WASHINGTON, D. C., July 8, 1954.

Hon. CHARLES A. WOLVERTON,

Chairman, Committee on Interstate and Foreign Commerce, House of Representatives.

DEAR MR. CHAIRMAN: This refers to S. 906, a bill to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act, and to the report of the Department of Defense on H. R. 3288 which was forwarded to the House Committee on Interstate and Foreign Commerce on April 28, 1954. H. R. 3288 is identical with S. 906, as introduced in the Senate. This Department submitted identical unfavorable reports to the Senate and House Committees on Interstate and Foreign Commerce on S. 906 and H. R. 3288, and, in addition, witnesses from the Department of Defense testified in opposition to S. 906 before the Senate Committee. However, subsequent to the submission of the reports, the Senate passed S. 906 with three amendments.

The Department of Defense still considers legislation, such as H. R. 3288 and S. 906, as amended by the Senate, objectionable and reiterates its opposition to those bills for the reasons set forth in its report of April 28, 1954. The amendments made to S. 906 by the Senate in no way alter the position of this Department.

Further, it is believed that if legislation of this type were enacted, it would deny to the Government a right accorded to private shippers; that is, the right to have the reasonableness of a rate adjudicated by the Interstate Commerce Commission. A rate negotiated between a private shipper and a carrier, which is published in a tariff and filed with the Commission in accordance with current procedures, remains subject, at any time, to the right of the private shipper to have a determination of the reasonableness of the rate made by the Commission. Under the proposed legislation, however, if the Government negotiates a rate with a carrier who, for reasons of its own, incorporates that rate in a section 22 tender instead of a tariff, and the rate is accepted by the Government, it would be conclusively presumed to be just and reasonable and the right accorded to the private shipper to appeal to the Commission would not be available to the Government.

Because of the urgency for submitting this report to your Committee for immediate consideration, time has not permitted its prior submission to the Bureau of the Budget for advice as to its relationship to the program of the President. However, when such advice is available, it will be forwarded to your committee.

Sincerely yours,

ROBERT TRIPP ROSS

(For the Assistant Secretary.)

COMPTROLLER GENERAL

OF THE UNITED STATES,

Washington, July 16, 1954.

Hon. CHARLES A. WOLVERTON,

Chairman, Committee on Interstate and Foreign Commerce, House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your letter of July 9, 1954, requesting com-

ments of the General Accounting Office on S. 906, 83d Congress, which was passed by the Senate on July 6, 1954, and is now pending before your committee.

The General Accounting Office furnished a report on S. 906 to the Senate Committee on Interstate and Foreign Commerce on May 19, 1953, setting forth in detail the reasons why the General Accounting Office does not recommend favorable consideration of the bill. In addition, a representative of the General Accounting Office appeared before the Senate committee on April 29, 1954, in opposition to the bill. Copies of the report of May 19, 1953, and of the statement of the General Accounting Office representative given on April 29, 1954, are enclosed. It is noted from the printed hearings of the Senate committee that the Department of Defense, the Department of Justice, and the General Services Administration also opposed favorable consideration of the bill.

The General Accounting Office has no reason to change its previous recommendations, notwithstanding the amendments made by the Senate which would provide that quotations or contracts made under section 22 of the Interstate Commerce Act would not become final until after 180 days, or 2 years in the case of contracts entered into during a national emergency declared by the Congress. However, in the event your committee decides to report the bill favorably, it is urged that both the 180-day period and the 2-year period be extended. Insofar as the General Accounting Office is concerned it is often several months after an agreement is entered into before the paid vouchers for transportation services rendered are submitted for audit and then it is rarely possible to place the vouchers under immediate scrutiny. In periods of national emergency the situation is greatly aggravated. In order that the interests of the Government may be protected, it is recommended that the 180-day period be changed to 1 year and that the 2-year period be changed to 3 years.

Sincerely yours,

FRANK H. WEITZEL,
Acting Comptroller General of the
United States.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, May 19, 1953.

Hon. CHARLES W. TOBEY,
Chairman, Committee on Interstate and
Foreign Commerce, United States
Senate.

MY DEAR MR. CHAIRMAN: Further reference is made to your letter of February 14, 1953, acknowledged by telephone on February 17, 1953, requesting any comments that may be considered desirable concerning S. 906, entitled "A bill to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act."

This bill is in most material respects similar to bills introduced in the 2d session of the 81st Congress, S. 4067, and in the 2d session of the 82d Congress, S. 2355. In its reports to the Congress on the said bills, this office recommended that they be not favorably considered and it continues to be the view here that amendment of section 22 of the Interstate Commerce Act in the proposed manner should not be effectuated.

The purpose of section 22 of the Interstate Commerce Act was to settle beyond doubt that preferential treatment of certain classes of shippers and travelers including those representing the United States is to be permitted. *Nashville, C. & St. L. Ry. v. State of Tennessee* (262 U. S. 318). This section must be read in connection with other sections of the act. (*Handling of Exhibits for Expositions and Fairs* (235 I. C. C. 603, 604).) The various other obligations of the carriers with respect to the charges they may exact for

their services are not canceled by reason of a contractual or implied contractual relationship created through employment of a section 22 quotation and the act does not deny to the Interstate Commerce Commission authority to prescribe reasonable ratings and rates on traffic covered by section 22 quotations. On the contrary, the act prohibits every excessive charge, whether exacted directly or obtained by indirection, and its provisions are designed to prevent evasion of the rule that every charge for transportation shall be just and reasonable. *Lewis-Simas-Jones Co. v. Southern Pacific Company* (283 U. S. 654, 660). If enacted the proposed amendment would deprive the United States of the benefit of the procedure, available to all other shippers, for testing the reasonableness of rates and charges collected by carriers pursuant to section 22 quotations.

A legal rate under the Interstate Commerce Act is not necessarily a lawful rate. To be lawful a rate must not be in conflict with the requirement for reasonableness, for while a published and filed tariff which contains the legal rates in the sense that they are filed with the Interstate Commerce Commission and required to be observed by carriers in collecting charges from shippers as enjoined by section 6 (7) of the act, has the force and effect of a statute—*Lowden v. Simonds-Shields-Lonsdale Grain Co.* (306 U. S. 516, 520); *Boone v. United States* (109 F. 2d 560, 562) it must, in event of a contest, reflect adherence to the limitations and principles enunciated in the act and enforced by the Commission. No presumption arises as to lawfulness from the mere fact of filing tariffs with the Commission, for "Charges to be lawful are required to be reasonable and just and no omission to express disapproval, nor any failure to challenge them anywhere can make rates lawful, which are unreasonable and unjust." 4 ICC 104, 115; order held invalid on other grounds, *Interstate Commerce Commission v. Atchison, T. & S. F. Ry. Co.* (50 Fed. 295; appeal dismissed, 149 U. S. 264); *J. T. Rather & Co. v. Nashville, C. & St. L. Ry.* (174 S. W. 1113).

Concerning common carriers by railroad subject to the act, lawfulness implies, among other things, that rates and charges are just and reasonable (49 U. S. C. 1 (5)) and it is the carriers' responsibility to initiate just and reasonable rates. In this connection, it is interesting to note that the recent case of *Reconstruction Finance Corp. v. Akron, C. & Y. Ry. Co.* (287 ICC 353, 383), dismissing the Government's complaint seeking reparation on past shipments of aluminum ingots, the dissenting opinion by Chairman Alldredge, of the Interstate Commerce Commission, in which Commissioners Mahaffie and Arpaia concurred, contained the statement that:

"The aluminum industry, as is commonly known, is a metal industry which received tremendous acceleration during the war. It is, however, one of our newer industries. Its products had not, at the beginning of World War II, and probably have not now, found their settled places in our economy. Rates on aluminum raw materials and aluminum products had likewise not been fitted into our general freight-rate system with any degree of permanency when the war started. Many of the movements which took place immediately before and during the war were, to be sure, unexpected; some of them were sporadic. Such things, however do not defeat the right of the Government as a shipper, or of any other shipper, to just and reasonable charges on its shipments. The responsibility rests upon the carriers under the law to initiate just and reasonable rates on the traffic which they transport and to keep them within the bounds of justness and reasonableness at all times."

What is true of aluminum and aluminum products, as to the fact that the freight rates on such materials had not been fitted into the general freight rate system with

any degree of permanency when the war started, is also probably true of many materials and articles which were newly developed and transported for the first time during the war and thereafter.

The courts have long declined to assume jurisdiction over matters involving the reasonableness of rates, regulations, practices, etc., pointing out that the law confides that duty to a body of experts like the Interstate Commerce Commission. *Texas & P. Ry. Co. v. Abilene Cotton Oil Co.* (204 U. S. 426); *Southern Ry. Co. v. Tift* (206 U. S. 428); *Mitchell Coal & Coke Co. v. Pennsylvania R. Co.* (230 U. S. 247, 258); *Florida v. United States* (292 U. S. 1, 12); and *General American Tank Car Corp. v. El Dorado Term. Co.* (308 U. S. 422). In the last cited case it was held that determination of the rights of a tank car company and a private shipper under a contract covering the lease of tank cars should have been held in abeyance pending conclusion of an appropriate proceeding before the Interstate Commerce Commission regarding the validity of the practice involved. In *Union Pacific R. Co. v. United States* (121 C. Cls. 463, 465), it was stated: "The defendant adds that it desires 'to present and develop in a manner not done at the former trial the basic principles which underlie the whole matter of classification and ratemaking.' We have neither the facilities nor the experience to go into the complicated field of ratemaking. Besides, that is a function placed by Congress in the hands of the Interstate Commerce Commission."

"We have no means of finding whether a rate established by the Commission is too high or too low. In fact, we are not authorized to pass on that question. We have no ratemaking functions."

"If the rate is too high the defendant may make a showing of that fact to the Interstate Commerce Commission and may ask for a different classification."

And in *Board of Trade v. United States* (314 U. S. 534, 546), it was stated:

"The process of ratemaking is essentially empiric. The stuff of the process is fluid and changing—the resultant of factors that must be valued as well as weighed. Congress has therefore delegated the enforcement of transportation policy to a permanent expert body and has charged it with the duty of being responsive to the dynamic character of transportation problems."

See also *Railroad Commission v. Oil Co.* (310 U. S. 573, 581-582). In the same vein it was stated in the case of *New York v. United States* (331 U. S. 284, 335):

"These problems of transportation economics are complicated and involved. For example, the determination of transportation costs and their allocation among various types of traffic is not a mere mathematical exercise. Like other problems in cost accounting, it involves the exercise of judgment born of intimate knowledge of the particular activity and the making of adjustments and qualifications too subtle for the uninitiated."

It is difficult to understand how shipping and procuring officers of the Government, not having available to them the detailed facts available to the regulatory bodies or adduced at open hearings held by them, and not enjoying ordinarily the broad perspective which those bodies acquire through their comprehensive and continuing study of transportation facilities and economics, can be expected adequately to balance and apply the factors inherent in ratemaking or rate adjustment problems and give due consideration to the provisions of the act relative to the establishment of just and reasonable rates under section 15 a. (2) of the act. It seems probable that carriers and Government shippers, in negotiating arrangements for rates and charges, will not, because of the complexities involved, be

able to give due consideration and effect to all the standards applied by the Interstate Commerce Commission in proceedings involving the reasonableness of rates, and a conflict in the administration of transportation policy would seem to be encouraged by making section 22 arrangements conclusive upon the parties in the manner specified in this bill.

If the law contemplates that there must be uniformity in the establishment of reasonable rates, so that the decisions of the Commission, which in effect voices the attitudes and policies of Congress, will continue to be guideposts by which shippers and carriers may mark out the course of their relationship, it is not believed that the Commission's exclusive responsibility in this regard should be impinged upon to allow other Government agencies to make conclusive determinations as to the reasonableness of section 22 rates and charges. In the event this bill becomes law any extensive utilization of section 22 quotations, would tend to distort rate relationships over wide territories and undermine the vital role the Commission plays in seeking to maintain reasonable rates and charges for the benefit of shippers, including the Government, and carriers alike. In this connection a report prepared for the Bureau of the Budget, by a special committee consisting of W. B. Hammer, Charles E. Bell, and Emory B. Ussery, printed in part in the CONGRESSIONAL RECORD for February 1, 1946, 92 CONGRESSIONAL RECORD, part I, pages 697, 699, indicates that there was not, at the time of procuring section 22 quotations during World War II any organization in the War Department adequately equipped, staffed, and fully empowered to negotiate, with the carriers, necessary revisions of transportation rates, ratings, charges, rules, and regulations.

It does not appear unusual for shippers of freight to apply to responsible railroad officers and their committees for revisions of tariff rates. The provisions of section 5 (a) of the act of June 17, 1948 (62 Stat. 472; 49 U. S. C. 5 (b)), authorize common carriers and freight forwarders subject to the act to apply to the Interstate Commerce Commission for approval of any agreement among such carriers relative to rates, fares, classifications, etc. Such agreements reflect strong consolidations of ratemaking functions of individual carrier organizations and a specialization in the control and development of rates and charges of the participating carriers. One type of such an agreement is discussed in Western Traffic Association Agreement (276 ICC 183). But whether rate proposals are initiated by shippers or carriers, they are still subject to review and to supervision on complaint or on the Interstate Commerce Commission's own initiative. (See page 215 of the above case.)

The private shipper is not deprived of his right to contest the reasonableness or lawfulness otherwise of rates charged and collected pursuant to tariff in conformity with requests of the shipper after study and approval by carrier representatives, and he may seek an award of reparation representing the difference between the collected charges and those computed on a basis found lawful by the Interstate Commerce Commission. There is no apparent reason why the Government should be deprived by statute of a privilege exercised or within reach of shippers generally, and there would seem to exist the possible danger of needlessly sacrificing public funds by prior statutory waiver of a right ordinarily afforded an aggrieved party in the circumstances. Certainly the assertion that reduced rates to the Government results in burdening other shippers with higher rates does not justify the maintenance of unreasonable rates on Government traffic. The proposed bill, in denying the Government the right to seek relief from unlawful rates

in the same manner as afforded the general public, would result in a discrimination against the Government which would seem to circumvent one of the essential purposes for which the Interstate Commerce Act was designed.

It seems noteworthy that under the proposed bill the parties may cancel or terminate rates, fares, etc., negotiated under the authority of section 22, as sought to be amended, on not less than 90 days' written notice. Such a provision would operate to extend the life of negotiated rates and fares for a period of 3 months after it may have been definitely established that the particular rates or charges covered by section 22 quotations exceed the reasonable or otherwise lawful rates found proper in application to the public and for an additional 90 days leave the Government without recourse to any remedy for recovery of excess charges on transportation performed under the terms of those quotations. The Government should not be prevented from withdrawing, at any time, from any arrangement which precludes liability for unreasonableness for prior charges, and the allowance to the carriers of 90 days during which the conclusive presumption of reasonableness would operate could result in unjust enrichment of the interested carriers at the expense of the United States. The finality that this provision affords section 22 negotiated rates would, for example, require that a negotiated rate of 28 cents per designated unit of shipment must be considered as final and binding upon the Government, until the agreement therefor is canceled, which under the terms of the amendment can be effected only upon notice of not less than 90 days, even though, on a petition filed by a private shipper, the Interstate Commerce Commission may find that a tariff rate of 30 cents, applicable commercially on the identical type of service for which the negotiated rate of 28 cents applies, is and has been unreasonable for a period extending from 2 years prior to the date of the filing of the petition, to the extent that it exceeds 25 cents. Upon such a finding the commercial shippers would be entitled to reparation sufficient to reduce the charges retained by the carrier to those due on the basis of the reasonable rate of 25 cents, but the Government presumably would have to regard the 28-cent rate collected from it for similar service as final and not subject to attack in the absence of actual fraud, deceit, or clerical mistake.

And in the case where application of the section 22 quotation accepted by the Government as to shipments made in contemplation thereof results in the charging by railroads subject to the Interstate Commerce Act more for a shorter than for a longer haul or more for a through haul than the aggregate of the intermediate rates, without special relief to the railroads as authorized by section 4 of the act, the Government would be powerless to enforce recovery of the excess charges so resulting although it is well established that apart from the statutory enactment such charges are prima facie unreasonable. See *Patterson v. L. & N. Railroad* (269 U. S. 1, 11); *Davis v. Portland Seed Co.* (264 U. S. 403).

It is desired to make clear that there is no basis for quarrel with the view that protection should be afforded carriers against the revocation of the terms of a proper section 22 quotation which in fact provides for special services or special rates not otherwise available to the United States so long as such rates are just and reasonable and therefore lawful. It would seem equally clear, however, that the laws and regulations which govern the operations of the transportation industry requiring adherence to a standard of reasonableness and affording a means of testing such adherence before the Interstate Commerce Commission, should be no less available in the case of services for the Government than in the case of

charges for services rendered the general public. Whenever injustices occur because of unreasonableness, or any purported requirement for the payment by the Government of higher-than-tariff rates opportunity should not be denied the United States to seek redress for the injustices so sustained in the same manner as is afforded the private shipper.

In summary, it is considered that enactment of the present bill is not desirable because it is believed that there should not be created by statute a conclusive presumption that rates, fares, or charges, etc., are just and reasonable simply because they are a matter of negotiation between common carriers and the Government as shipper. However, if passage of this bill be deemed proper, it is believed that a due protection of the interests of the United States would require that provision be incorporated therein which would assure at least that nothing in said section 22 shall be construed to authorize payment by the United States of any charges to any common carrier or freight forwarder in excess of those based on contemporaneously applicable rates, fares, or charges, and rules, regulations, or practices, prescribed in schedules duly published and filed with the Interstate Commerce Commission and that nothing therein shall prevent the United States from availing itself of any benefit or privilege that the general public may have or obtain as a result of determinations made by the Interstate Commerce Commission in proceedings filed by private, as distinguished from Government, shippers.

Sincerely yours,

FRANK L. YATES,
Assistant Comptroller General of the
United States.

STATEMENT OF ROBERT F. KELLER, ASSISTANT TO THE COMPTROLLER GENERAL, BEFORE THE SUBCOMMITTEE ON SURFACE TRANSPORTATION, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, UNITED STATES SENATE, ON S. 904, 83d CONGRESS, ACCOMPANIED BY HARRELL O. HOAGLAND, DIRECTOR, TRANSPORTATION DIVISION, GENERAL ACCOUNTING OFFICE

Mr. Chairman and members of the committee, the General Accounting Office opposes the enactment of S. 904, as indicated in the Comptroller General's report to this committee of March 13, 1953. While passage of the legislation would result in an increased cost of governmental operations of several million dollars our comments are not restricted to that basis alone.

The most significant areas for consideration appear to be those which relate to (1) the fact that the proposed legislation is not supported—so far as we are aware—by a substantial majority of the carriers who conduct the business of movement of household goods for the Government or by some of the largest carriers in this limited field; (2) the proposed legislation is much more drastic than is apparent on the surface since it would bar voluntary or negotiated tenders at less than tariff rates for the movement of hospital equipment and office furniture and fixtures of Government agencies as covered in existing tariffs published voluntarily by carriers; and (3) the effect of this bill would be to impose control by congressional action within a segment of industry as to which each household-goods carrier could accomplish such result without legislation.

It is not required by law that any carrier submit a tender for reduced rates to the United States. That such rates are continuously offered by carriers of substance and by a large number of carriers raises considerable doubt in our minds as to whether the industry, as a whole, favors the enactment of the legislation.

Aside from the fact previously mentioned, that this proposed legislation affects Govern-

ment movements of hospital equipment and office furniture and fixtures, although not clearly stated therein, there has not been brought to the attention of the General Accounting Office any situation as to which household-goods carriers generally have complained to it of Government practices relative to this traffic or of serious economic reactions by reason of carrier operation under the present law.

Finally, it could be that the present situation might follow the foot-in-the-door technique so far as abolition of section 22 and related sections of the law are concerned. If this be so, we believe the proposed legislation should be rejected as failing to represent an open and uniform approach by all interested and related carrier industries.

GENERAL SERVICES ADMINISTRATION,
Washington, D. C., July 22, 1954.

Re S. 906

Hon. CHARLES A. WOLVERTON,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN WOLVERTON: Your letter of July 9 requests a report and our comments on S. 906, which has been adopted by the Senate. On April 29, 1954, we submitted a report to you recommending against H. R. 3288, a bill pending in the House, which is substantially the same as S. 906. We wish to reiterate our opposition to this type of legislation, and refer you to our views on H. R. 3288, a copy of which is attached.

Our traffic officials seek to obtain on Government traffic rates which are comparable to so-called commodity rates applying on commercial traffic. When the carriers act on our requests, the option lies with them as to whether to do it by tariff publication or by the issuance of a quotation under section 22 of the Interstate Commerce Act. If the carriers choose to respond to our requests by a tariff adjustment, we may seek retroactive review of the rate under sections 8 and 13 of that act, if we are dissatisfied, in the same manner as a commercial shipper. Under the proposed legislation, however, if the carrier elects to publish the rate in the form of a section 22 quotation, it would be beyond review. Such option, exercised by the carrier, would remove the right of review enjoyed by all other shippers.

The reasons advanced for this type of regulation are that the rates received by the Government under section 22 are extremely low, adversely affecting the earnings of the carriers; that there is a reluctance by the carriers to deal with the Government under section 22; and that a growing number of reparation cases might bog down the work of the Commission. In our opinion, the record does not justify any of these contentions.

Actual studies introduced at the hearings on S. 906 indicate conclusively that section 22 rates produce a high level of earnings, considerably higher than on commodity rate traffic generally. Further, the Government departments are experiencing no resistance or reluctance by the carriers to the use of section 22 rate adjustments; to the contrary, we would be gratified if more of these adjustments were made by tariff publication. Finally, there is no indication of a growing number of reparation cases, the last of the wartime reparation cases having been filed in 1948 and covering traffic which generally moved prior to October 1, 1946.

A report recommending against the enactment of S. 906 was submitted April 28, 1954, to the former Chairman, Senate Committee on Interstate and Foreign Commerce. The reports on S. 906, as well as H. R. 3288, were cleared with the Bureau of the Budget, which advised that there was no objection to the submission of those reports and that they

would recommend against the enactment of the proposed legislation.

Cordially yours,
EDMUND F. MANSURE,
Administrator.

EXECUTIVE OFFICE OF
THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., August 3, 1954.

Hon. CHARLES A. WOLVERTON,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, New House Office Building, Washington, D. C.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of July 9, 1954, requesting the views of this office on S. 906, a bill to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

The Secretary of Defense and the General Services Administrator, in the reports they have made to your committee on this act, recommended against its enactment for the reasons set out therein.

This office concurs with the views contained in these reports and recommends that this measure not be enacted.

Sincerely yours,
HAROLD PEARSON,
Assistant Director.

Mr. HARDY. Mr. Speaker, reserving the right to object, I served on a subcommittee with the able gentleman from Ohio [Mr. BENDER] in the 80th Congress, at which time we considered a great many of these transportation matters. I do not believe this is a proper bill. I notice also that it is opposed by the Secretary of Defense. Therefore, I object.

The SPEAKER. Objection is heard.

WASHITA RIVER BASIN RECLAMATION PROJECT, OKLAHOMA

The Clerk called the bill (S. 118) to authorize the Secretary of the Interior to construct, operate, and maintain the Washita River Basin reclamation project, Oklahoma.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CUNNINGHAM. Mr. Speaker, this would cost approximately \$37 million. I understand that an endeavor is being made to get a rule. There is entirely too much money involved to pass this bill on the unanimous-consent calendar and therefore I ask unanimous consent that it be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

AMENDING CIVIL SERVICE RETIREMENT ACT OF 1930

The Clerk called the bill (H. R. 9586) to amend the Civil Service Retirement Act.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any provision of law to the contrary, title to annuity payable from the civil service retirement and disability

fund shall not arise from any separation unless the officer or employee so separated has, within the 2-year period immediately preceding such separation, completed at least 1 year of creditable civilian service during which he was subject to this act. Any annuity rights based on a separation which (a) terminated service meeting this requirement or (b) occurred prior to this amendment, shall be restored upon separation from subsequent service which fails to meet said requirement.

"No credit shall be allowed for any service subsequent to the date of the separation on which title to annuity is based. Any amounts deducted from salary for retirement purposes during such service shall upon separation be refunded to such officer or employee without interest, and shall be subject to redeposit as provided in section 12 (b) (2) of this act. Any such amount not so refunded to the officer or employee before his death shall be paid in the order of precedence prescribed in section 12 (e)."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REIMBURSEMENT FOR EQUIPMENT OWNED BY POSTMASTERS AT DISCONTINUED OFFICES

The Clerk called the bill (S. 3028) to require the Postmaster General to reimburse postmaster: of discontinued post offices for equipment owned by the postmaster.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That whenever a post office is discontinued, the Postmaster General shall reimburse the postmaster of such discontinued post office, on a fair and equitable basis, for any fixtures and equipment in use in such post office at the time of discontinuance, which were furnished by such postmaster out of personal funds and which were necessary to the efficient operation of such post office.

SEC. 2. That there is hereby authorized to be appropriated such amount each year as may be necessary to enable the Postmaster General to make reimbursement to postmasters of discontinued post offices under the provisions of this act, except a post office of the fourth class.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PREVENTING ENTRY OF LIVESTOCK AND POULTRY DISEASES INTO THE VIRGIN ISLANDS

The Clerk called the bill (H. R. 10077) to amend section 6 of the act of August 30, 1890, as amended, and section 2 of the act of February 2, 1903, as amended.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

INCLUSION OF SERVICE RENDERED STATES TOWARD CIVIL SERVICE RETIREMENT

The Clerk called the bill (H. R. 1553) to amend the Civil Service Retirement

Act of May 29, 1930, as amended, to provide for the inclusion in the computation of accredited service of certain periods of service rendered States or instrumentalities of States, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BROWN of Ohio. Mr. Speaker, reserving the right to object, I should like to inquire just what this bill does.

Mr. HARVEY. This makes vocational teachers who might be drafted into the service of the United States Department of Agriculture eligible under the same conditions that a county agent would be for certain civil-service benefits.

Mr. BROWN of Ohio. It applies only to those particular employees?

Mr. HARVEY. That is right.

Mr. BROWN of Ohio. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by inserting after the first paragraph thereof the following:

"Subject to the conditions contained in this paragraph, there shall be included, in determining for the purposes of this act the aggregate period of service rendered by an officer or employee who is serving in a position within the purview of this act (other than a position described in this paragraph) at the time of his retirement or death, all periods of service rendered by him as an employee of a State, or any instrumentality thereof, exclusively or primarily in the carrying out of—

"(1) the program of a State Rural Rehabilitation Corporation created for the purpose of handling rural relief the funds for which were made available by the Federal Emergency Relief Act of 1933 (48 Stat. 55), the act of February 15, 1934 (48 Stat. 351), and the Emergency Appropriation Act, fiscal year 1935 (48 Stat. 1055), and any laws or parts of laws amendatory of, or supplementary to, such acts;

"(2) the Federal-State cooperative program of agricultural experiment station research and investigation authorized by the act of March 2, 1897, as amended and supplemented (7 U. S. C., ch. 14);

"(3) the Federal-State cooperative program of vocational education authorized by the act of February 23, 1917, as amended and supplemented (20 U. S. C., ch. 2);

"(4) the Federal-State cooperative program of agricultural extension work authorized by the act of May 8, 1914, as amended and supplemented (7 U. S. C., secs. 341-348);

"(5) the Federal-State cooperative program of forest and watershed protection authorized by section 2 of the act of March 1, 1911 (16 U. S. C., sec. 563), and by the act of June 7, 1924, as amended and supplemented (16 U. S. C., sec. 564-568b);

"(6) the Federal-State cooperative program for the control of plant pests and animal diseases authorized by the provisions of law set forth in chapters 7 and 8 of title 7 and in section 114a of title 21 of the United States Code.

The period of any service specified in this paragraph shall be included in computing length of service for the purposes of this act of any officer or employee only upon compliance with the following conditions:

"(A) the performance of such service is certified, in a form prescribed by the Civil Service Commission, by the head, or by a person designated by the head, of the department, agency, or independent establish-

ment in the executive branch of the Government of the United States which administers the provisions of law authorizing the performance of such service;

"(B) the officer or employee shall have to his credit a total period of not less than 5 years of allowable service under this act, exclusive of service allowed by this paragraph;

"(C) the officer or employee shall have deposited with interest at 4 percent per annum to December 31, 1947, and 3 percent per annum thereafter, compounded on December 31 of each year, to the credit of the civil-service retirement and disability fund a sum equal to the aggregate of the amounts which would have been deducted from his basic salary, pay, or compensation during the period of service claimed under this paragraph if during such period he had been subject to this act.

If the annuity computed under this act of any individual entitled to the benefits of this paragraph, when combined with any annuity received by him from a State, exceeds an amount equal to 80 percent of the highest average annual basic salary, pay, or compensation received by such individual during five consecutive years of allowable service under this act (including service allowed by this paragraph), the annuity payable under this act shall be so reduced that the aggregate amount received from such annuities shall not exceed an amount equal to 80 percent of such highest average annual basic salary, pay, or compensation. As used in this paragraph the term 'State' includes Alaska, Hawaii, and Puerto Rico."

Sec. 2. The first paragraph of section 6 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following: "Such time limitation may also be waived by the Civil Service Commission in the case of an officer or employee who failed to file the required application for retirement within the prescribed time limit because at the date of separation from service the position he was occupying was not considered to be within the purview of this act; but the application in such case must be filed with the Civil Service Commission not later than 6 months after the determination that such position is within the purview of this act, except that in the case of any such person heretofore separated from service, application may be filed within 6 months after the date of the enactment of this sentence."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PRIVATE CALENDAR

The SPEAKER. The Clerk will call the first bill on the Private Calendar.

CARLOS M. COCHRAN

The Clerk called the bill (S. 820) for the relief of the estate of Carlos M. Cochran.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Carlos M. Cochran, late of Miami, Fla., the sum of \$5,000. Payment of such sum shall be in full settlement of all claims of such estate against the United States on account of the death of the said Carlos M. Cochran in line of duty, while he was serving as private, first class, in the military forces of the United States (XC-3119193), when he was shot by a sentry at the north auxiliary gate

on Highway No. 98 at Tyndall Field, Fla., on December 19, 1942: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

With the following committee amendment:

Page 2, line 3, after the word "act", strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARY BEATON DENNINGER

The Clerk called the bill (S. 3064) for the relief of the estate of Mary Beaton Denninger, deceased.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Mary Beaton Denninger, deceased, the sum of \$780.36. The payment of such sum shall be in full settlement of all claims of the said estate against the United States for payment of the proceeds under the Servicemen's Indemnity Act of 1951, accruing to said Mary Beaton Denninger, deceased, during her lifetime: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in the sum not exceeding \$1,000.

With the following committee amendment:

Page 1, line 11, strike out "in excess of 10 percent thereof."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HUGO KERN

The Clerk called the bill (S. 232) for the relief of Hugo Kern.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Hugo Kern shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon the payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued August 20, 1954

For actions of August 19, 1954

83rd-2nd, No. 162

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Both Houses agreed to conference report on foreign-aid appropriation bill. Senate passed bill to revise food-drug law, and House concurred in amendments. House concurred in Senate amendment to bill permitting long-term forest-land leases. Senate debated Federal pay raise bill. Senate debated Colo. reclamation project. Sens. Johnson (Tex.) and Morse criticized drought-relief administration. Rep. Harrison, Va., criticized reductions in wheat allotments. Rep. Hope inserted summary of farm program bill.

HOUSE

1. FOREIGN-AID APPROPRIATION BILL, 1955. Both Houses agreed to the conference report on this bill, H. R. 10051, and acted on amendments which had been reported in disagreement (pp. 14312-22, 14457-60). This bill will now be sent to the President.
2. LAW REVISION. Concurred in the Senate amendments to bills to codify and enact into positive law parts of the U. S. Code. The Senate passed these bills as reported, earlier in the day. The bills are H. R. 9728, on food, drugs, and animal-plant diseases, etc.; H. R. 9729, on census; and H. R. 9730, to correct obsolete references. (pp. 14411-3, 14341-65.) These bills will now be sent to the President.
3. FORESTRY. Concurred in the Senate amendment to H. R. 1254, to authorize 30-year leases of national-forest and other Federal lands for public purposes (p. 14325). This bill will now be sent to the President.
4. TRANSPORTATION. Passed without amendment S. 906, to establish the finality of contracts between the Government and common carriers of passengers and freight, subject to the Interstate Commerce Act (p. 14334).

This bill will now be sent to the President.

5. RECLAMATION. Agreed to a Senate amendment to H. R. 2235, authorizing the Santa Maria project, Calif., with an amendment (p. 14326). The Senate later agreed to the House amendment to the Senate amendment (p. 14454). This bill will now be sent to the President.
6. INVESTIGATIONS. Agreed to, without amendment, H. Res. 161, authorizing the Agriculture Committee to investigate matters within its jurisdiction outside the U. S. (p. 14324).
7. WATER COMPACT. Discussed S. 2821, consenting to an interstate compact regarding Missouri Basin waters, but Rep. Saylor objected to its consideration at this session (pp. 14331-2).
8. FARM LABOR. Discussed S. 2862, to permit immigration of certain sheepherders, but Rep. Celler objected to its passage (pp. 14365-7).
9. CCC AUDIT. Received from the Acting Comptroller General an audit report on CCC for 1953 (H. Doc. 494) (p. 14383). The report was also received in the Senate (p. 14387).
10. ASC COMMITTEES. Rep. Jones, Mo., criticized the Secretary's position regarding limitation of the terms of committeemen and stated that such a limit should not be continued regarding community committeemen (p. 14380).

SENATE

11. DROUGHT RELIEF. Sens. Johnson, Tex., and Morse criticized administration of the drought-relief program (p. 14389).
12. PERSONNEL; POSTAL RATES. Began debate on H. R. 7774, agreeing that the committee amendment (in the nature of a substitute), providing for a 5% pay raise for Federal employees (with a minimum of \$170 a year and a maximum of \$480), would be considered as the original text of the bill and would be subject to amendment on the floor. It is expected that Sen. Knowland will propose an amendment providing for a 3½% pay increase for classified employees, a 5% increase for postal employees, and increases in postal rates. The text of the Knowland amendment (as well as the committee recommendation) is in the Record, and he also inserted a brief explanation and the estimated cost of the group life insurance program, the Whitten amendment modification, the incentive-awards program, repeal of the annual-leave provision, etc. (pp. 14470, 14480-3, 14486-9.)
13. ELECTRIFICATION. The Public Works Committee reported with amendments S. 2599, to authorize development of Niagara River power (S. Rept. 2501) (p. 14837).
14. TRANSPORTATION. Agreed to the conference report on H. R. 2236, to establish a metropolitan area transit commission and a Commission on Area Problems for the D. C. area (pp. 14430-4).
15. RECLAMATION. Began debate on S. 1555, to authorize the upper Colo. River project, and agreed to the committee amendment in the nature of a substitute (pp. 14413-23, 14462-4, 14467-70).
16. PRICE SUPPORTS. Sen. Aiken inserted a newspaper editorial claiming that

Gregory	LeCompte	Richards
Gubser	Lesinski	Riehlman
Gwinn	Lipscomb	Riley
Haley	Lovre	Rivers
Hand	Lucas	Robison, Ky.
Harris	Lyle	Roosevelt
Harrison, Wyo.	McCormack	Sadlak
Harvey	McCulloch	St. George
Hébert	McDonough	Scott
Hess	McGregor	Scrivner
Hiestand	Machrowicz	Scudder
Hill	Mack, Ill.	Secrest
Hillelson	Madden	Sheehan
Hinshaw	Martin, Iowa	Shelley
Hoeven	Mason	Short
Hoffman, Ill.	Meador	Sikes
Holifield	Metcaif	Simpson, Ill.
Holt	Miller, Nebr.	Smith, Kans.
Holtzman	Miller, N. Y.	Stringfellow
Horan	Morgan	Taylor
Hosmer	Morrison	Thompson, La.
Howell	Moss	Utt
Hruska	Moulder	Van Pelt
Hunter	Nelson	Vinson
Jackson	Norblad	Vursell
Kearney	O'Brien, Ill.	Walnwright
Kelly, N. Y.	O'Brien, Mich.	Weichel
Keogh	Patten	Westland
Kilburn	Patterson	Wheeler
King, Pa.	Pelly	Widnall
Klein	Pilcher	Wier
Knox	Powell	Williams, N. J.
Krueger	Preston	Williams, N. Y.
Landrum	Rabaut	Wilson, Tex.
Lantaff	Rains	Yates
Latham	Regan	Yorty

So the conference report was agreed to.
The Clerk announced the following pairs:

Mr. Canfield with Mr. McCormack.
Mr. Arends with Mr. Fine.
Mr. Hand with Mr. Colmer.
Mr. Jackson with Mr. Dorn of South Carolina.

Mr. McGregor with Mr. Barden.
Mr. Bishop with Mr. Hébert.
Mr. LeCompte with Mr. O'Brien of Illinois.
Mr. Horan with Mr. Bonner.
Mr. Busbey with Mr. Morrison.
Mr. Simpson of Illinois with Mr. Preston.
Mr. Widnall with Mr. Haley.
Mr. Patterson with Mr. Landrum.
Mr. Miller of New York with Mr. Keogh.
Mr. Curtis of Missouri with Mr. Holtzman.
Mr. Harrison of Wyoming with Mr. Benton.

Mr. D'Ewart with Mrs. Kelly of New York.
Mr. Miller of Nebraska with Mr. Brooks of Louisiana.

Mr. Riehlman with Mr. Chelf.
Mr. Hiestand with Mr. Davis of Georgia.
Mr. Hosmer with Mr. Buckley.
Mr. Utt with Mr. Chatham.
Mr. Hunter with Mr. Rivers.
Mr. Adair with Mr. Thompson of Louisiana.
Mr. Beamer with Mr. Rabaut.
Mr. Van Pelt with Mr. Vinson.
Mr. Westland with Mr. Yates.
Mr. Pelly with Mr. Rains.
Mr. Williams of New York with Mr. Wheeler.

Mr. Carrigg with Mr. Yorty.
Mr. Dague with Mr. Bolling.
Mr. Flno with Mr. Wier.
Mr. Vursell with Mr. Bowler.
Mr. Holt with Mr. Pilcher.
Mr. Taylor with Mr. Williams of New Jersey.

Mr. Broyhill with Mr. Sikes.
Mr. Cole of New York with Mr. Roosevelt.
Mr. Kearney with Mr. Gordon.
Mr. Short with Mr. Engle.
Mr. Sheehan with Mr. Doyle.
Mr. Scott with Mr. Madden.
Mr. Hoffman of Illinois with Mr. Dempsey.
Mr. Hoeven with Mr. Condon.
Mr. Bender with Mr. Lantaff.
Mr. Bentley with Mr. Klein.
Mr. Bonln with Mr. Wilson of Texas.
Mr. Bosch with Mr. Richards.
Mrs. Church with Mr. Patten.
Mr. Coudert with Mr. O'Brien of Michigan.
Mr. Ellsworth with Mr. Metcalf.
Mr. Gubser with Mr. Davis of Tennessee.

Mr. McCulloch with Mr. Gregory.
Mr. Kilburn with Mr. Shelley.
Mr. Nelson with Mr. Lesinski.
Mr. Norblad with Mr. Machrowicz.
Mr. Sadlak with Mr. Riley.
Mrs. St. George with Mr. Morgan.
Mr. Harvey with Mr. Lucas.
Mr. Hillelson with Mr. Howell.
Mr. Ayres with Mr. Mack of Illinois.
Mr. Baker with Mr. Harris.
Mr. Cotton with Mr. Dawson of Illinois.
Mr. Smith of Kansas with Mr. Lyle.
Mr. Hruska with Mr. Moulder.
Mr. Clevenger with Mr. Holifield.
Mr. Lipscomb with Mr. Biatnik.
Mr. Crumpacker with Mr. Secrest.
Mr. Scrivner with Mr. Powell.
Mr. Hess with Mr. Regan.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. DIES. Mr. Speaker, I ask unanimous consent to place in the RECORD at this point a statement with reference to the effect of the conference agreement on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. DIES. Mr. Speaker, the conference report strengthens the bill we approved on Tuesday in 1 feature, namely, it provides that proof of any 1 of the 14 factual situations enumerated in the bill shall constitute proof of knowledge of the objectives of the Communist Party. The conference report provides further that conviction under this bill will subject the defendant to the provisions and penalties of the Internal Security Act. One of those penalties is a fine of \$10,000 and imprisonment up to 5 years. The fact that the Internal Security Act is thus brought into this bill by reference does not mean that this bill is dependent upon the Internal Security Act. It strengthens the Internal Security Act, but it is self-supporting in itself. The legislative intent of this House is that membership in the Communist Party constitutes a crime in itself, and can be punished as such. The reference to the Internal Security Act indicates the nature of the penalty alone. It will not be necessary under this bill for the Government first to take the accused into the machinery of the Internal Security Act. If he is accused of membership in the Communist Party, he will be indicted under this bill, tried under this bill, and, if convicted, sentenced according to the penalties in the Internal Security Act.

This bill, therefore, as it is now before us, provides:

First. That the Communist Party is outlawed.

Second. That every member of the Communist Party becomes, by reason of membership alone, guilty of a crime.

Third. In establishing whether membership exists, the Court and jury will consider any or all of 14 different factual situations enumerated in the bill, if evidence is submitted to show any or all of those situations.

Fourth. Proof of any one of these factual situations establishes that the defendant knows of the conspiratorial purposes of the Communist Party.

Fifth. Upon conviction under this bill, the defendant is subject to the penalties indicated in the Internal Security Act, one of which is 5 years' imprisonment and \$10,000 fine.

This bill does outlaw the Communist Party and it does punish the Communist member.

LEAVE OF ABSENCE

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to correct the RECORD of yesterday. I was requested to ask leave of absence for one of our colleagues and the name handed to me was that of the gentleman from Washington [Mr. Mack]. It should have been the gentleman from New York [Mr. KEARNEY].

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

(Mrs. ROGERS of Massachusetts asked and was given permission to extend her remarks at this point.)

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks will appear hereafter in the Appendix.]

PERSONAL ANNOUNCEMENT

Mr. SCHERER. Mr. Speaker, my colleague, the gentleman from Ohio [Mr. Hess], who is absent from the House today on business of his committee, has advised me that had he been able to be present he would have vigorously supported the legislation before the House to outlaw the Communist Party and to more effectively deal with the Communist menace in this country.

I personally know of Mr. Hess' constant efforts throughout the years to eliminate the influence of the Communist conspiracy from all institutions of American life and how much he regrets this his other duties prevent him from being here today.

CORRECTION OF RECORD

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that the permanent RECORD may be corrected in connection with an extension of remarks which I inserted in the Appendix of the RECORD yesterday at page A6158, August 18, 1954. The word "Protestant" split between the second and third lines from the end of the inserted article should be changed to "(Belfast)."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. MILLER of Kansas. Mr. Speaker, a parliamentary inquiry. I understand I was not recorded on the last rollcall. I was present and answered to my name.

The SPEAKER. The Chair is informed that the gentleman is recorded as voting on the last rollcall.

CORRECTION OF RECORD

Mr. RHODES of Pennsylvania. Mr. Speaker, in yesterday's RECORD there is an error in my remarks. I made a statement that "good is bad." It should have been "bad is good." I ask unanimous consent that this correction be made on page A6154 in lines 6 and 7 of my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

(Mr. O'HARA of Illinois asked and was given permission to extend his remarks at this point.)

[Mr. O'HARA of Illinois addressed the House. His remarks will appear hereafter in the Appendix.]

THE PASSING OF ALCIDE DE GASPERI

(Mr. RODINO asked and was given permission to extend his remarks at this point.)

Mr. RODINO. Mr. Speaker, a great loss has been suffered by Italy today with the passing of her leader, soldier-statesman, and fighter for freedom, the former Premier Alcide de Gasperi. And a sense of sadness is felt by all men who believe in the idea of freedom and by people of the free world over the loss of this staunch ally and friend.

De Gasperi has gone from this way now and forever, but the noble ideals which he so cherished, served and fought for, have been so instilled in the minds and hearts of his friends and of the people of Italy that Democracy cannot die despite the numerous onslaughts upon it.

With a vivid vision, he foresaw early the desperate need for a union of Europe to withstand the tide and rush of Communistic tyranny, and he never relented in his support of it and impressed the urgency of a united Europe upon the people of Italy.

Guiding Italy's destiny out of the dark dismal days of chaos which came in the wake of World War II, he steered a firm and direct course based on democratic ideals. He emboldened and inspired the Italian people to great effort and recovery. He yielded to no man in his gratitude for the unselfish and friendly attitude of the United States and Americans toward Italy and through him the Italian people demonstrated their appreciation and affection.

De Gasperi has gone at a time of great challenge and crisis in Italy's history and he will be sorely missed, but the work which he started will carry forward. He was a man of great heart, noble purpose, and firm faith in God. And, in all this greatness, there was ever evident his humility and simplicity. I am personally saddened by his death for I admired his dedicated efforts for his fellow man. To his family and to the Italian Government, I express my profound sympathy.

FOREIGN-PRODUCED TROUT

Mr. O'HARA of Minnesota. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2033) relating to the labeling of packages containing foreign-produced trout sold in the United States, and requiring certain information to appear on the menus of public eating places serving such trout, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

On page 1, line 8, strike out "408" and insert "409."

On page 2, line 6, strike out "408" and insert "409."

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. CELLER. Mr. Speaker, reserving the right to object, may we have an explanation of what the Senate amendments do?

Mr. O'HARA of Minnesota. The Senate amendments merely change the reference to the section in the bill and change section 408 to section 409, which was passed, I believe, after the bill had been introduced in the other body.

Mr. CELLER. The Senate amendment does not add any other type of fish?

Mr. O'HARA of Minnesota. Nothing whatsoever.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

ESTABLISHING FINALITY OF CONTRACTS BETWEEN THE GOVERNMENT AND COMMON CARRIERS OF PASSENGERS AND FREIGHT

Mr. O'HARA of Minnesota. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 906) to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 22 of the Interstate Commerce Act (49 U. S. C., sec. 22) is amended (1) by inserting after the section designation the letter "(a)", and (2) by adding at the end thereof the following:

"(b) Notwithstanding any other provision of law, any rates, fares, and charges, and rules, regulations, and practices with respect to the transportation of persons or property for or on behalf of the United States by any common carrier subject to part I, II, III, or IV of this act, offered, negotiated, or established under the provisions hereof by quotation or contract when accepted or agreed to

by the Secretary of Defense, the Secretary of Agriculture, or the Administrator of the General Services Administration, or by any official or employee of the United States to whom either of them may delegate such authority, shall be conclusively presumed to be just, reasonable, and otherwise lawful, and shall not be subject to attack, or reparation, after 180 days or 2 years in the case of contracts entered into during a national emergency declared by Congress, after the date of such acceptance or agreement upon any grounds whatsoever except for actual fraud or deceit, or clerical mistake. Such rates, fares, or charges, and rules, regulations, or practices, may be canceled or terminated upon not less than 90 days' written notice by the United States or by any of the other parties thereto.

"(c) Any such rates, fares, or charges, rules, regulations, or practices so made and accepted under the provisions hereof shall not be considered to have any bearing upon, or otherwise affect, the justness, reasonableness, or lawfulness of any rates, fares, or charges, or of any rules, regulations, or practices with respect to transportation services theretofore performed for, or on behalf of, the United States, nor shall the provisions of this section be construed as any indication that similar rates, fares, or charges, or similar rules, regulations, or practices theretofore effective were or were not binding upon or enforceable against the United States."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PRIEST. Mr. Speaker, it is my understanding after an investigation, that this bill applies only to those Government agencies named in the bill, and therefore does not affect the Tennessee Valley Authority.

PRINTING OF ADDITIONAL COPIES OF HEARINGS WITH REFERENCE TO STOCKPILING OF CRITICAL MATERIALS

Mr. SCHENCK. Mr. Speaker, by direction of the Committee on House Administration, I ask unanimous consent for the immediate consideration of Senate concurrent resolution (S. Con. Res. 104) to print additional copies of part 4 of the hearings held before a subcommittee of the Committee on Interior and Insular Affairs relative to stockpile and accessibility of strategic and critical materials to the United States in time of war.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There being no objection, the Clerk read the resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 1,000 additional copies of part 4 of the hearings conducted before a subcommittee of the Senate Committee on Interior and Insular Affairs pursuant to Senate Resolution 143, 83d Congress, relative to stockpile and accessibility of strategic and critical materials to the United States in time of war. Such additional copies shall be for the use of the Senate Committee on Interior and Insular Affairs.

The resolution was agreed to, and a motion to reconsider was laid on the table.